HANDBOUND
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THIS VOLUME

IS

Inscribed

TO

Lieut.-Colonel James Mason

WHO HAS WON HIS PLACE IN CANADIAN PUBLIC AFFAIRS BY SOLDIERLY SERVICE AND CAPACITY, BY FINANCIAL ABILITY AND HIGH CHARACTER, BY PATRIOTIC DEVOTION TO THE BEST IDEALS OF NATIONAL LIFE AND IMPERIAL UNITY

BY

His Very Sincere Friend

THE AUTHOR

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THE GOVERNMENT OF CANADA

GOVERNORS-GENERAL OF THE DOMINION OF CANADA

Appointment.	Assumed Office.	Name.
June 1, 1867	July 1, 1867	Viscount Monck.
Dec. 29, 1868	Feb. 2, 1869	Lord Lisgar.
May 22, 1872	June 25, 1872	Earl of Dufferin.
Oct. 5, 1878	Nov. 25, 1878	Marquess of Lorne.
Aug. 18, 1883	Oct. 23, 1883	Marquess of Lansdowne.
May 1, 1888	June 11, 1888	Lord Stanley of Preston.
May 22, 1893	Sept. 18, 1893	Earl of Aberdeen.
July 25, 1898	Nov. 12, 1898	Earl of Minto.
Sept. 26, 1904	Dec. 10, 1904	Earl Grey.

PRIME MINISTERS OF THE DOMINION OF CANADA

Appointment.	Politics.	Name.
July 1, 1867	Conservative	Sir John A. Macdonald.
Nov. 7, 1873	Liberal	Hon. Alexander Mackenzie.
Oct. 17, 1878	Conservative	Sir John A. Macdonald.
June 6, 1891	"	Sir J. J. C. Abbott.
Dec. 5, 1892	"	Sir J. S. D, Thompson.
Dec. 21, 1894	"	Sir Mackenzie Bowell.
May 1, 1896	"	Sir Charles Tupper.
July 13, 1896	Liberal	Sir Wilfrid Laurier.

GOVERNMENT OF CANADA

As on Jan. 1st, 1906

Prime Minister and President of King's Privy Council ..... Rt. Hon. Sir W. Laurier.
Minister of Trade and Commerce ..... Rt. Hon. Sir R. J. Cartwright.
Secretary of State ..... Hon. R. W. Scott, K.C.
Minister of Justice ..... Hon. C. Fitzpatrick, K.C.
Minister of Militia and Defence ..... Hon. Sir F. W. Borden.
Postmaster-General ..... Hon. A. B. Aylesworth.
Minister of Agriculture ..... Hon. Sydney A. Fisher.
Minister of Public Works ..... Hon. C. S. Hyman.
Minister of Finance ..... Hon. W. S. Fielding.
Minister of Railways and Canals ..... Hon. H. R. Emmerson.
Minister of the Interior and Supt.-General of Indian Affairs ..... Hon. F. Oliver.
Minister of Customs ..... Hon. W. Paterson.
Minister of Inland Revenue ..... Hon. L. P. Brodeur.
Minister without Portfolio ..... Hon. W. Templeman.

Solicitor-General of Canada ..... Rodolphe Lemieux, K.C.

SUPREME COURT OF CANADA

Chief Justice ..... Rt. Hon. Sir Henri Elzéar Taschereau.
Puisne Judge ..... The Hon. Désiré Girouard.
" " ..... The Hon. Sir Louis H. Davies, K.C.M.G.
" " ..... The Hon. John Idington.
" " ..... The Hon. James Maclennan.
" " ..... The Hon. Robert Sedgewick.

PROVINCIAL GOVERNMENTS, ETC., IN CANADA

As on 1st January, 1906*

ONTARIO—Lieutenant-Governor—WILLIAM MORTIMER CLARK, K.C., LL.D.

Premier and President of the Council.....Hon. J. P. Whitney.	Minister of Lands and Mines.....Hon. F. Cochrane.
Attorney-General .....Hon. J. J. Foy.	Provincial Secretary....Hon. W. J. Hanna.
Treasurer .....Hon. A. J. Matheson.	Minister of Public Works.Hon. J. O. Reaume.
Minister of Education ..Hon. R. A. Pyne.	Minister without Portfolio.....Hon. W. A. Willoughby.
Minister of Agriculture .Hon. Nelson Monteith.	" " ..Hon. J. S. Hendrie.
	" " ..Hon. Adam Beck.

Speaker of the Assembly.Hon. J. W. St. John.	Leader of the Liberal Opposition.....Hon. George W. Ross.

Chief Justice of Ontario.Hon. Charles Moss.	Chancellor of Ontario...Hon. Sir John A. Boyd.
Chief Justice Court of King's Bench .....Hon. W. G. Falconbridge.	Chief Justice Court of Common Pleas .....Hon. Sir W. R. Meredith.

Chief Justice Exchequer Division—Hon. Sir William Mulock.

QUEBEC—Lieutenant-Governor—SIR LOUIS A. JETTÉ, K.C.M.G., K.C.

Premier and Attorney-General .....Hon. Lomer Gouin.	Provincial Treasurer....Hon. J. C. McCorkill.
Minister of Lands and Forests .....Hon. Adelard Turgeon.	Provincial Secretary and Registrar .....Hon. Rodolphe Roy.
Minister of Public Works and Labour .....Hon. L. J. Allard.	Minister of Agriculture .Hon. Auguste Tessier.
	Minister of Colonization, Mines and Fisheries ..Hon. J. B. Prevost.

Speaker of the Assembly.Hon. W. A. Weir, K.C.	Speaker of the Legislative Council.....Hon. Horace Archambeault.
Leader of the Government in Legislative Council .....Hon. L. J. Allard.	Leader of Opposition in Legislative Council ...Hon. Thomas Chapais.

Leader of the Conservative Opposition in the Assembly—P. E. LeBlanc.

Chief Justice Court of King's Bench .....Hon. Sir Alex. Lacoste.	Chief Justice of Superior Court .....Hon. A. B. Routhier.

NOVA SCOTIA—Lieutenant-Governor—HON. ALFRED GILPIN JONES.

Premier and Provincial Secretary .....Hon. G. H. Murray.	Minister without Office .Hon. A. H. Comeau.
Attorney-General .....Hon. Arthur Drysdale.	" " ..Hon. D. McPherson.
Commissioner of Works and Mines.....Hon. W. T. Pipes.	" " ..Hon. C. P. Chisholm.

Speaker of the Legislative Assembly.....Hon. E. M. Farrell.	President of Legislative Council .....Hon. M. H. Goudge.
Leader of the Conservative Opposition.....Charles E. Tanner.	Chief Justice of Supreme Court.....Hon. R. L. Weatherbe.

NEW BRUNSWICK—Lieutenant-Governor—HON. JABEZ BUNTING SNOWBALL.

Premier and Provincial Secretary .....Hon. L. J. Tweedie.	Chief Commissioner of Public Works.....Hon. C. H. LaBillois.
Attorney-General....Hon. W. Pugsley.	Commissioner of Agriculture .....Hon. L. P. Farris.
Surveyor-General.....Hon. F. J. Sweeny.	
Solicitor-General .....Hon. W. P. Jones.	

Leader of the Conservative Opposition.....J. Douglas Hazen, K.C.	Speaker of the Assembly.Hon. C. W. Robinson.

Chief Justice of Superior Court—Hon. W. H. Tuck.

*NOTE—The object of these tables is to indicate the names of those holding the higher official and judicial positions in the Provinces on January 1st, 1906. Changes during the year are stated in the text of this volume.

PRINCE EDWARD ISLAND—Lieutenant-Governor—HON. DONALD ALEXANDER MCKINNON.

President, Premier and Attorney-General ....Hon. Arthur Peters.
Provincial Secretary, Treasurer and Commissioner .....Hon. S. E. Reid.
Commissioner of Public Works .....Hon. J. H. Cummiskey.

Member of Executive without Portfolio ....Hon. Peter McNutt.
" " " ..Hon. George Godkin.
" " " ..Hon. B. J. Gallant.
" " " ..Hon. G. E. Hughes.
" " " ..Hon. F. L. Hassard.
" " " ..Hon. G. Simpson.

Speaker of the Legislative Assembly .....Hon. Dr. A. E. Douglas.

Leader of the Conservative Opposition .....John A. Mathieson.

Chief Justice of Supreme Court—Hon. W. W. Sullivan.

MANITOBA—Lieutenant-Governor—SIR DANIEL H. MCMILLAN, K.C.M.G.

Premier, President of Council, Minister of Agriculture and Immigration, Commissioner of Railways and of Public Lands.....Hon. R. P. Roblin.
Provincial Treasurer.....Hon. J. H. Agnew.

Provincial Secretary and Municipal Commissioner.....Hon. David H. McFadden.
Attorney-General and Minister of Education.Hon. Colin H. Campbell.
Minister of Public Works.Hon. Robert Rogers.

Speaker of the Legislature .....Hon. James Johnson.

Leader of the Liberal Opposition .....Hon. Charles J. Mickle.

Chief Justice of Court of King's Bench—Hon. Joseph Dubuc.

SASKATCHEWAN—Lieutenant-Governor—AMÉDÉE EMMANUEL FORGET.

Premier, President of Council and Commissioner of Public Works.Hon. Walter Scott.
Attorney-General .....Hon. J. H. Lamont.

Commissioner of Education and Provincial Treasurer .....Hon. J. A. Calder.
Commissioner of Agriculture and Provincial Secretary .....Hon. W. R. Motherwell.

Speaker of the Legislative Assembly .....Hon. Thos. McNutt.

Leader of the Opposition.F. W. G. Haultain, K.C.

ALBERTA—Lieutenant-Governor—GEORGE HEDLEY VICARS BULYEA.

Premier, Minister of Education and Provincial Treasurer .....Hon. A. C. Rutherford.
Attorney-General.....Hon. C. W. Cross.
Minister of Public Works.Hon. W. H. Cushing.

Minister of Agriculture and Provincial Secretary .....Hon. W. T. Finlay.
Minister without Portfolio. .....Hon. L. G. DeVeber.

Speaker of the Legislative Assembly .....Hon. C. W. Fisher.

Leader of the Conservative Opposition .....A. J. Robertson.

BRITISH COLUMBIA—Lieutenant-Governor—SIR H. JOLY DE LOTBINIÈRE.

Premier and Minister of Mines .....Hon. Richard McBride.
Provincial Secretary and Minister of Education.Hon. F. J. Fulton, K.C.

Minister of Finance and Agriculture .....Hon. R. G. Tatlow.
Chief Commissioner of Lands and Works.....Hon. R. F. Green.

Attorney-General—Hon. Charles Wilson, K.C.

Speaker of the Legislative Assembly .....Hon. C. E. Pooley.

Leader of the Liberal Opposition .....James A. Macdonald, K.C.

Chief Justice of Supreme Court—Hon. Gordon Hunter.

Commissioner of Yukon.W. W. B. McInnes.

Commissioner of the Northwest Territories.Col. Fred. White, C.M.G.

Chief Justice of the Northwest Territories—Hon. A. L. Sifton.

CANADIAN BOOKS OF THE YEAR

NOVELS AND ROMANCES.

Name of Book.	*Author.*
Off the Rocks: A Story of Labrador	Dr. Wilfrid T. Grenfell.
On Common Ground	Sydney H. Preston.
In Dream's Domain	Elizabeth R. Macdonald.
The Heart that Knows	Charles G. D. Roberts.
The Pancake Preacher	Mack Cloie.
Cupid and the Candidate	Mrs. Leeming Carr.
Knights Who Fought the Dragon	Edwin Leslie.
The Camerons of Bruce	Robert L. Richardson.
Marjorie's Canadian Winter	Agnes Maule Machar.
Set in Authority	Mrs. Everard Cotes.
The Doctor	Rev. C. W. Gordon (Ralph Connor).
The Undertow	Rev. R. E. Knowles.
Alexander McBain, B.A.	Adelaide M. Teskey.
The Silver Leaf	Marion Keith.
The Adventures of Billy Topsail	Norman Duncan.
Beyond the Rocks	Mrs. Elinor Glyn.
The Spanish Dowry	Miss Lily Dougall.
The Earthly Purgatory	Miss Lily Dougall.
Thirteen Men	W. A. Fraser.
Don-a-Dreams	Harvey J. O'Higgins.
In the Van	Dr. J. Price-Brown.
The Curious Career of Roderick Campbell	Jean N. McIlwraith.
The Vine of Sibman	Dr. Andrew McPhail.
The Silver Maple	Ethel Miller.
The Treasure Trail	Frank L. Pollock.
The Wire Tappers	Arthur J. Stringer.
The Cassowary	Stanley Waterloo.

POETRY.

Dream Verses	Elizabeth R. Macdonald.
The Pipes of Pan	Bliss Carman.
Among the Immortals	R. Walter Wright.
A Hymn of Empire and other Poems	Rev. Dr. F. G. Scott.
Songs and Sonnets	Helena Coleman.
The Corn-Flower and other Poems	Jean Blewett.
In Hades	D. Lowrey.
Preludes, Sonnets, and other Verses	John Daniel Logan.
Alcestis and other Poems	Sarah King Wiley.
The Workers and other Poems	C. W. Dawson.
The Poetry of Life	Bliss Carman.
Via Borealis	Duncan C. Scott.
Poems of Alfred Garneau	Edited by Hector Garneau.
Gerbes d'Automne, Poésies	Zéphirin Mayrand.

HISTORY, POLITICS AND BIOGRAPHY.

Life of George Brown	John Lewis.
John Graves Simcoe	Duncan C. Scott.
Bishop Laval	A. Leblonde de Brumath.
Count Frontenac	W. D. LeSueur.
History of Canada (Schools)	Maria Lawson.
History and Geography of British Columbia	Miss M. Lawson, Mrs. R. W. Young.
History of the County of Bruce	Norman Robertson.
History of the Royal North-West Mounted Police	Captain E. J. Chambers.
Life of Archbishop O'Brien	Catharine Hughes.
Empire Club Speeches, 1905-6	Edited by J. Castell Hopkins.
History of British Columbia	R. E. Gosnell.
Pioneers of Upper Canada	Anson A. Gurd.
Transactions of the Women's Canadian Historical Society	Diary of Rev. Dr. Scadding.
The Vikings of the Pacific	Agnes C. Laut.
Past and Present of Prince Edward Island.	Various writers.
The Fight for Canada	Major Wm. Wood, F.R.S.C.
Maple Leaves (Seventh Series)	Sir James M. LeMoine, D.C.L.
Elements of Political Science	Prof. S. B. Leacock, Ph.D.
Two Country Walks in Canada	Arnold Haultain.
Ontario Historical Society, Vol. VII	Papers and Records.
Documentary History of Education in Upper Canada, Vols. 14 and 15.	Edited by Dr. J. George Hodgins.
Francois de Montmorency—Laval	L'Abbé Auguste Gosselin, F.R.S.C.
Documentary History Niagara Frontier Campaigns of 1812-14	Lieut.-Col. E. Cruickshank.
The Secret of Heroism: A Memoir of H. A. Harper	W. L. Mackenzie King.
Handbook of Canadian Literature	Arch. MacMurchy, M.A.
Ontario Archives' Report, 3rd Vol.	Edited by Alex. Fraser.
Canadian Archives' Report	Edited by Dr. A. G. Doughty, C.M.G.
Le Saint-Laurent, Historique	Alphonse Leclaire.
Histoire de la Paroisse de Saint-Denis-sur-Richelieu	L'Abbé J. B. A. Allaire.
La Premiere Famille Francaise au Canada	L'Abbé A. Couillard-Despres.

MONOGRAPHS AND PAMPHLETS.

Name of Book.	*Author.*
Canadian Nationality	W. Frank Hatheway.
The Orbit of Life: Studies in Human Experience.	Rev. Dr. W. T. Herridge
Funeral Sermon of late Sir John Thompson	Archbishop C. O'Brien.
Investments of Canadian Life Offices	Thomas Bradshaw.
The Life Insurance Situation	P. C. H. Papps.
Education and Industrial Efficiency	Albert H. Leake.

WORKS OF REFERENCE.

The Canadian Year Book	Archibald Blue.
The Canadian Annual Review of Public Affairs.	J. Castell Hopkins.
The Commercial Handbook of Canada	Ernest Heaton.
The Canadian Almanac	A. W. Thomas.
Supreme Court Cases	E. R. Cameron, K.C.
Practice of the Supreme Court of Canada	E. R. Cameron, K.C.
The Law of Probate and Administration	A. Weir.
Digest of Ontario Law Reports, 1901-1905	Edwin Bell.
Railway Legislation of Canada	G. E. W. Currier.

MISCELLANEOUS.

Mountain Wild Flowers of Canada	Julia Henshaw.
The Roosevelt Bears	Seymour Eaton.
Landscape Painting and Modern Dutch Artists	E. B. Greenshields.
Minerals and how they Occur	Willet G. Miller.
Cruise of the *Neptune*, 1903-4	A. P. Low, F.R.G.S.
James the Lord's Brother	Principal Patrick, D.D.
The True Object of Life.	George F. Jelfs.
The Wheel of Wealth	Dr. John Beattie Crozier.

IMPORTANT BOOKS OF 1906 RELATING TO CANADA.

The Voyages and Explorations of Samuel de Champlain, 1604-1616.	Edited by Edward Gaylord Bourne.
La Colonisation de la Nouvelle France	M. Emile Salone.
The Seigneurial System in Canada	William Bennett Munro.
Les Jesuites et la Nouvelle France	P. Camille de Rochemonteix.
The Canadian War of 1812	C. P. Lucas.
The Story of Joncaire: His Life and Times on the Niagara	Frank H. Severance.
Le Canada: Les Deux Races	Andre Siegfried.
Canada: The New Nation	H. R. Whates.
Canada To-day	J. A. Hobson.
Canada's Resources and Possibilities	J. Stephen Jeans.
Life of the Earl of Durham	Stewart J. Reid.
Canada and British North America	Wm. Bennett Munro.
Correspondence of William Pitt	Edited by Gertrude S. Kimball.

IMPORTANT BOOKS OF 1906 RELATING TO THE EMPIRE.

The Vision of India	Sidney Low.
The Making of Modern Egypt	Sir Auckland Colvin.
Joseph Chamberlain: An Honest Biography	A. Mackintosh.
Lord Curzon in India: A Selection from his Speeches	Edited by Sir Thomas Raleigh.
Origin of the Anglo-Saxon Race	T. W. Shore.
The First Annexation of the Transvaal	W. J. Leyds, LL.D.
The Earl of Rosebery	Samuel H. Jeyes.
British Imperialism	Victor Bérard.
Through India with the Prince	G. F. Abbott.
Lord Randolph Churchill	Winston S. Churchill.
Speeches and Letters of Earl Roberts on Imperial Defence.	
The Dead Heart of Australia	J. W. Gregory, F.R.S.
George Douglas, Eighth Duke of Argyll	Dowager Duchess of Argyll.

LIEUT.-COLONEL JAMES MASON.

Commanding a Company in the North-West Rebellion of 1885; commanding the 10th Regiment Royal Grenadiers, 1894-9; commanding a Brigade in the Canadian Militia, 1901-6. President Empire Club of Canada, 1903-4.

THE CANADIAN ANNUAL REVIEW

I.—DEVELOPMENT OF NATURAL RESOURCES

General Development of Canada in 1906

The most conspicuous feature of Canadian history in 1906 was the growth of the country, in wealth, in world interest, and in the personal prosperity of its people. Trade, which had more than doubled in the previous nine years leaped up another $81,000,000 to a total of $546,947,437; or $91.00 per head of the population as compared with a United States trade of $40.00 per head. Deposits in Chartered banks which, in 1896, had totalled $193,000,000 and risen in 1904 to $470,000,000 bounded up to $590,908,664 on December 31st, 1906. Bank clearings in the thirteen chief centres of Canada aggregated $659,000,000 more than in 1905. New Bank branches, as in previous years, were continuously organized throughout the West and in every village or town in every part of the country where banking facilities were required or where money was being made which could be transferred into the financial life-current of the people. The national revenue which, in the fiscal year 1895, had been $33,978,000 and had risen in 1905 to $71,182,772 made another leap upward to $80,139,360. Prices in the chief Canadian securities continued the advance of the preceding year and indicated in a substantial measure the confidence felt at home and abroad in the almost immeasurable resources of the Dominion.

The mining development of the country was very considerable and very greatly in the public eye; with a substantial increase in production over 1905 when the figures had increased by $8,500,000 over 1904. During 1906 the process of readjustment of conditions in the Yukon and the change from placer to hydraulic mining continued and large investments in costly machinery and plant by such firms as the Guggenheims, of New York, prepared the way for an undoubted greater development in the near future. British Columbia—and especially the Atlin District—had a record of generally increased investment, discoveries, and pro-

works were carried out in the Okanagan Valley and continued in other parts of the Province.

Elsewhere the Peace River region was found to be rich in agricultural resources and mineral possibilities; wheat-growing was discovered to be practicable as far north as the shores of Hudson's Bay; and the great basin of the Bay itself to possess indications of mineral wealth, large areas of lumber and much excellent cultivable land. Northern Ontario was found to possess varied resources in minerals, outside of Sudbury or Cobalt, while the great clay belt of this region became better understood in its wealth of agricultural land and forest area. Away to the north of Canada's supposed wheat-growing area the Dominion Superintendent of Forestry found the Mackenzie River Valley, stretching some 2,000 miles in length and from 500 to 1,000 miles in width, to possess land of a prairie type free from rock and alkali, and with a soil not dissimilar from that of Saskatchewan and Alberta. At Fort Providence, nearly 1,000 miles north of Edmonton, Mr. Stewart was also shown local wheat as good as that of Manitoba, together with a bountiful supply of vegetables.

Everywhere there was progress, evolution, discovery of resources—untouched mineral wealth, inexhaustible timber supplies, illimitable agricultural areas, fruitful fisheries, multiplying railways, expanding trade. To quote the words of Mr. B. E. Walker, General Manager of the Canadian Bank of Commerce in his annual address, January 7, 1907: "The year which has just closed was even more remarkable for volume of business and general prosperity than the year preceding it, or indeed, than any year in our history. It is unfortunate that we cannot estimate our internal trade, but we have been able to see in every direction a pressure to meet the demands for goods put upon the manufacturers, merchants, and transportation companies, such as we have never experienced before; while the shortage in cars and motive power, notwithstanding unparalleled increases of rolling stock, has seriously interfered with the crop movement and the general distribution of merchandise." The following table illustrates the general national progress of the preceding decade:

	1895.	1905.
Total Imports	$110,781,682	$266,843,417
Total Exports	113,638,803	203,316,872
Total Trade	224,420,485	470,151,289
Deposits in Chartered Banks (30th June)	182,688,227	468,571,648
Discounts, Chartered Banks (30th June)	224,627,632	480,906,934
Notes of Chartered Banks in Circulation (31st October)	34,671,028	76,890,863
Dominion Notes in Circulation (31st October)	22,893,259	51,144,312
Miles of Railway in Operation (30th June)	15,977	20,487
Railway Traffic (Tons Carried)	21,524,421	50,893,957
Consolidated Fund Revenue	$33,978,129	$71,182,772
Consolidated Fund Expenditure	38,132,005	63,319,682
Total Federal Disbursements of all kinds	42,872,338	78,804,138

Agricultural Resources and Progress

The natural basis of Canadian development in the past few years has been its agricultural resources. The estimate by Dr. William Saunders, Director of Dominion Experimental Farms, that there were 171,000,000 acres of good agricultural land available in the three Western Provinces alone, was commencing to be understood by the people of Canada as well as of other countries. An empire of farms was there in process of creation during 1904 and 1905 and it reached in 1906 a new and higher level of accomplishment. The natural and agricultural accumulated wealth of Ontario was, it is true, also very great, and in 1905 official figures showed the farmers of that Province to possess land valued at $649,201,304, buildings worth $204,384,514, implements valued at $68,629,546, live stock worth $172,483,760 —a total of $1,154,699,184 as compared with $931,989,574 in 1895. But this result had come from a process of gradual settlement, cultivation and accretion of wealth; there had been no sudden popular appreciation of a rich soil, easy production and quick returns such as was now promised in the far West.

During 1906 public knowledge of these Western resources grew from day to day. British and United States newspaper correspondents vied with one another, and with Canadian residents or visitors, in eulogy and appreciation. Speaking to an American correspondent early in the year Mr. Charles N. Bell, Secretary of the Winnipeg Board of Trade, described the possible wheat acreage of the West as follows: "It is greater than that of the United States. We have here something like 320,000 square miles of wheat lands in sight. Divide this by half, setting the balance aside for bad land and mixed farming propositions, and there is left 160,000 square miles. In round numbers it is 100,000,000 acres. This gives us a crop of 2,500,000,000 bushels, which is considerably more than three times as much as the United States has ever produced. I don't say that Canada will reach that crop soon, but her wheat yield will steadily increase, and it will not be long before it will equal that of the United States." The Hon. W. R. Motherwell, Commissioner of Agriculture in Saskatchewan, addressed the Seed Growers' Convention in Ottawa on June 28th and, after a reference to the past progress of the Dakotas and Minnesota, said:

> Canada has had a similar expansion westward and northward, until the far-off Peace River has come to be recognized as within the area of successful agriculture. In the light of these experiences it is a bold man indeed who will to-day presume to prescribe the limit, either in extent, or wheat area, or exportable surplus, of our great western region. Statisticians of more or less accuracy and sources of information have estimated our capacity to grow wheat all the way from two hundred and twenty-five millions to one billion bushels per annum. While the latter figure is doubtless extravagant, moderate and well-informed men are of the opinion that an average of these two figures is quite within the range of possibility during the next twenty-five years. And when one considers the invariable moderating effect that settlement always seems

to have on temperature, together with the fact that earlier varieties of wheats are continually being evolved by our painstaking experimenters, the mind fails to grasp the possibilities of western Canada.

The journey of the Pennsylvania Press Association through the West during the summer evoked a chorus of praise. To the Winnipeg *Free Press* of Aug. 8th one of these gentlemen, Mr. C. T. Bartlett, spoke in the following terms: "We were hardly prepared to believe that 1,000 miles north of the international boundary there existed a climate equal to that of the middle Atlantic States, save for the warm nights necessary to the development of the corn, that these lands properly cultivated were capable of producing 100 bushels of oats and 20 to 40 bushels of wheat to the acre, as well as most other forms of vegetation. We have visited, seen and believe. The corn belt of the United States must ever remain supreme in the production of that great staple but to Northwest Canada there will be transferred our supremacy in wheat and oats." Another, Mr. Maurice Splain of Pittsburg, told the Toronto *Mail* on Aug. 22nd, that "the productiveness of the soil and the healthfulness of the climate over vast, untouched areas of these Provinces assure them a magnificent future. They cannot fail to become one of the wealthiest regions of the earth; supporting great cities and a large rural population in comfort and abundance." In the New York periodical, *Success,* for August, Mr. Samuel Merwin had a vivid descriptive article upon Western conditions in which he said:

In Manitoba, Saskatchewan and Alberta Provinces there are more than 200,000 square miles of prairie land, most of it rich black loam readily cleared for the plough. As much again waits clearing. In the mountains are minerals and timber. Settlers are pouring in on every train to occupy this vast region. Towns and grain warehouses are springing up over night. Imagine the Mississippi and Missouri Valleys to settle over again under modern conditions! Imagine anything you like and you will probably be within the facts. It is nothing unusual for these prairies to yield a general average of 25 bushels of wheat to the acre, and 100 bushels of oats. Much of the wheat is of a higher grade than any now raised in our West, and it is frequently mixed with ours to bring ours up to the standard.

A second group of United States newspaper men—from Washington, D.C.—toured the country during the summer. One of them, Mr. Irving C. Norwood, told the Montreal *Gazette* of Aug. 10th that: "Although I have travelled all over the wheat-growing section of my own country, I can say, without disparagement, but speaking merely with frankness, that I never saw such a wheat-belt as that in the Canadian West. The character of the land, the soil, the climatic conditions, all seem to invite the growing of the staff of life." Canadian visitors were just as appreciative. Speaking to the Toronto *Globe* on Oct. 2nd Mr. D. R. Wilkie, President of the Imperial Bank of Canada, referred, especially, to the increased value of agricultural lands which were now frequently selling at $50 per quarter section with $25 as

the usual price. Sir T. G. Shaughnessy, President of the Canadian Pacific Railway, told the Montreal *Gazette* on Sept. 29th that during his recent trip he had found everything full of hope and promise. "It is hard for people in the east to appreciate how the Canadian west is developing. You can quote figures—but you must go to the West and see what is being done to really appreciate them. Wherever you turn prosperity and confidence dominate the people. The cultivated area of the country is growing faster than the railways can overtake it and the harvest this year is magnificent. The Canadian West is the land of promise, and also the land that redeems its promises." In an interview contained in his paper, the *Orange-Judd Farmer* of St. Paul, Mr. Thomas Shaw, a well-known authority, declared with obvious enthusiasm that "the first foot of soil in the three Provinces of Manitoba, Saskatchewan and Alberta is its greatest natural heritage. It is worth more than all the mines in the mountains from Alaska to Mexico, and more than all the forests from the United States boundary to the Arctic Sea, vast as they are."

Specific districts received special local eulogies and during the year attracted exceptional attention. The Calgary Board of Trade issued a pamphlet which contained the following statement: "Rolling eastward from the Rocky Mountains the foothills extend for some 20 miles before they merge gradually into the undulations of the vast prairie plateau of Central and Southern Alberta. This plateau is the home of the great winter wheat and stock farms, the finest region for stock raising on the whole continent, carpeted as it is over all its extent with thick and luxuriant grasses comprising numerous species and varieties and including the well-known 'buffalo' and 'bunch' grasses. Just as Alberta is the wealthiest of the Provinces of Canada, so is Central Alberta the choicest part of this wonderful Province." To the Winnipeg *Free Press* of Aug. 31st, a special correspondent referred as follows to a district in Manitoba: "The Dauphin district I found to be unique, yes, wonderful, from more than one point of view. The richness and depth of the soil was the first thing to strike me forcibly. Walking down the business street of the pretty little town I saw some men engaged in digging out a cellar for a new block. The rich black soil extended downwards to a depth of fully six feet and under this was a heavy clay sub-soil. Such land cannot be surpassed in fertility by any locality in any country in the world." Of still another region—the Peace River Valley—a correspondent of the Toronto *Mail* wrote on Aug. 29th: "This is the real Canadian North West, this territory extending north and westward from Edmonton for many hundreds of miles, filled with fertile valleys, splendid streams, glorious prairies and verdant foothills, and reaching far away into the vastnesses of the northern Rockies—a country whose soil is black and rich, and whose climate is more salubrious than that of the inland provinces behind it."

The illimitable possibilities of the Mackenzie River basin, excluding the southern portion along the banks of the Peace River, were dealt with occasionally by semi-official visitors but in a popular sense still remained unknown. Of this region, away to the north and east of Hudson's Bay, Mr. John Macoun, the veteran geologist, said to the Agricultural Committee of Parliament on Dec. 18th: "When I am dead, and many of you are dead, the people of Canada will begin to realize that this northland is to them what Germany was to the Romans. It was supposed to be a hyperborean climate and unfit for mortal beings to inhabit; yet, to-day, Germany is one of the strongest nations in the world. And that is going to be the outcome of Canada." Speaking in the Senate, on May 15th, the Hon. T. O. Davis referred at length to this country. Of a small portion he said: "Take the northern part of Saskatchewan. I suppose we have from the line of the North Saskatchewan River, for a hundred miles north of Prince Albert, a good agricultural country. After that it is practically an unknown land. No person knows much about it except through the stories we hear from the trappers, traders, etc. For 500 miles extending inland from the North Saskatchewan River there is a lot of good agricultural land." Better known were the developing resources of the Peace River country. A series of letters in the Winnipeg *Free Press* from a special correspondent described the fishing, mineral, and timber products of the region between Edmonton and the magnificent valley and river which has been given a name likely to become famous. Writing in the issue of Nov. 24th the correspondent said:

> We traversed sixty miles of this prairie between the settlement and the Dunvegan. It was the prettiest agricultural land I ever set eyes on, and if the rank weeds, wolf willow, fire weed, etc., are any criterion, exceedingly rich. We dug holes here and there and found a heavy, mellow, black loam averaging sixteen inches deep, on a clay subsoil. It was a park-like country, with numerous poplar bluffs; as we proceeded it gradually opened up until we could see thousand-acre tracts without a stick on them. My companions, who were experienced farmers in Manitoba and Saskatchewan, said they had never seen the equal of this land in those provinces.

The settled parts, as yet, include Fort Vermillion, 150 miles north of Edmonton, Peace River Landing, Spirit River Settlement, and another at Grand Prairie. At the first point a modern town is opening up and in the country around wheat is said to run from 40 to 50 bushels an acre. Writing on Feb. 5th Mr. F. G. Carpenter, the American journalist, made this statement: "They are raising wheat along the Peace River, and there is reason to believe that it can be raised beyond Alberta. I met a man the other day who had just come from the southern shores of the Great Slave Lake. That is as far above the United States, I should say, as St. Paul is above New Orleans. He tells me that the soil is good there and that spring wheat can be matured. You

THE HON. CHARLES FITZPATRICK, K.C., M.P.
Minister of Justice, Ottawa.
Appointed Chief Justice of the Supreme Court of Canada, 1906.

THE HON. LOUIS P. BRODEUR, K.C., M.P.
Minister of Inland Revenue.
Appointed Minister of Marine and Fisheries, 1906.

see the land drops from here down to the Arctic Ocean. The lower the altitude the warmer the climate; provided it is not too far north. I have no doubt one might raise wheat for hundreds of miles north of Edmonton." It may be added that away back in 1872 Mr. J. S. Dennis, the first Surveyor-General of Western lands, estimated the wheat area of the West at 375,000,000 acres. Dr. Saunders' figure of 171,000,000 acres is now being constantly added to by discovery and development and the estimate of 400,000,000 acres made by the Montreal *Gazette,* on April 2nd, 1906, may now be considered as fairly reasonable and probable.

In British Columbia agricultural expansion in possible area and actual production was marked during 1906. The old idea of "a sea of mountains" disappeared still more deeply in the dark places of the past. It was more and more clearly understood that where there were mountains there were also valleys with possibilities of cultivated fields, rich orchards, fine fruit farms, and great agricultural productiveness. The grass-covered hills of the Okanagan Valley with some 250,000 acres of arable lands; the agricultural regions of the North and South Thompson Valleys totalling 75,000 acres; the Nicola, Similkameen and Kettle River Valleys with 350,000 acres; the 200,000 similar acres in Lillooet and Cariboo and the 125,000 acres in East and West Kootenay; include the chief agricultural portions of this mountain region. Besides these, however, there are the rich lands of the Fraser River Valley, the Westminster District, and Vancouver Island. North of the main line of the Canadian Pacific Railway, on the Pacific slopes, are vast areas of agricultural and grazing lands which are now only commencing to be known. Amongst them are part of the Peace River country; the Bulkley valley in which recent descriptions indicate fertile lands ready for the settlement of 100,000 people; and other places estimated to contain some 6,000,000 acres of cultivable soil. Writing in the *Nor'-West Farmer* of July 26th, Mr. F. M. Logan, B.S.A., of Victoria, made the following statement:

A trip via the C. P. R. does not show you Lulu Island at the mouth of the Fraser with its hundreds of acres of perhaps the richest soil in the world. You do not see the Delta country with its thousands of acres reclaimed from the sea, making farms that have permitted their owners, after six years' residence, to live in affluence and wealth. The railway does not pass through the famous Chilliwack Valley with its 75,000 acres of alluvial deposit, where the rich are not rare, and where the poorest live in abundance. On a trip by rail you would not even imagine that such a place existed as the Okanagan Valley. It does not reveal the countless acres in that district, which some day will be producing millions of boxes of the finest fruit to supply the great wheat-built cities of the plains. Neither do we learn anything about the great tracts north of the railroad which, after irrigation schemes are evolved, will develop unlimited possibilities and open up a country capable of supporting thousands of people. You are totally unaware, also, of the hundreds of small farms which, by persistent effort, have been hewn from among the giant firs and pines of the coast as well as those among the mountains which, although limited in area, are capable of marvellous production.

Agricultural progress is in evidence on every hand. The dairy industry of recent development is making rapid gains each year and now British Columbia can boast of some of the largest creameries in Canada.

New farming regions in the Northern part of Ontario were opened up, or their agricultural possibilities more fully indicated to the people during 1906. The Temiskaming region, in particular, was very fully pictured in a booklet published by the Temiskaming and Northern Ontario Railway. "The great clay belt has been aptly described as stretching north in a huge V shape from the towns of Haileybury and New Liskeard and, already, there are scattered through its immensity hundreds of farms having fair clearings, good buildings, and stock that would do credit to farms in Old Ontario, and containing happy and contented families." As to the crops, everything which older Ontario produced could be grown except the more delicate fruits. "Clover flourishes, giving two crops in the season. The weevil has caused many farmers in Old Ontario to abandon the pea crop. In the Temiskaming district the weevil is unknown, and magnificent peas are raised in ever-increasing abundance. Wheat is grown successfully, but other crops are more profitable and therefore are grown more extensively. Potatoes, carrots, turnips, and even the more tender vegetables ripen in the open air." Speaking to the *Farming World,* the Hon. Nelson Monteith, Ontario Minister of Agriculture, described this country as follows:

The splendid crops of wheat, oats, etc., that I saw there would convince anyone of the undoubted richness of the soil. Clover and peas are especially luxuriant, and the heavy yields and freedom from insect pests should make the growing of these crops for seeds a very profitable undertaking. I see no reason why stock-raising, with its attendant industries, should not be successful as soon as sufficient land has been cleared to provide grazing, forage, and root crops. The whole of the clay belt is covered with a dense growth of timber, consisting chiefly of spruce, tamarack, balsam and poplar, and the work of clearing is necessarily a somewhat tedious operation, although not nearly as much so as it was in the hardwood districts of Ontario. At the same time the material which the forest provides for fences, building, and fuel compensates the settler for the time it takes him to clear the land.

Agriculture in Quebec has never been a matter of spectacular development though one of steady and large production—especially in the dairy branch. Small farms, old-fashioned methods, a population which likes to live close together, have prevented more rapid progress. But railways are effecting a change and better knowledge during the past few years has indicated immense capabilities in this connection. According to an address by the Hon. W. A. Weir, then Speaker of the Quebec Legislature, before the Empire Club, Toronto, on April 5th, the Lake St. John region was, in particular, being rapidly developed. It was said to contain the best agricultural lands in the Province and 3,000 new settlers a year were going in to build up its wealth. Speaking to the Canadian Club at Montreal, on Nov. 20th, Mr. Weir declared that out of all its area of 351,000 square miles

only 3 per cent. of Quebec's land was as yet under cultivation and only 23 per cent. was put to any use whatever! The balance was absolutely untouched. In dairy products, it may be added, the Province has reached the $20,000,000 mark.

Agricultural Productions and Conditions

According to the Census of 1901 the total value of farm property in Canada was $1,511,935,003; the value of field crops, fruits and vegetables was $208,417,821; the value of Live stock, $275,167,627. The occupied land area was 63,422,301 acres of which Ontario possessed 21,000,000 acres and Quebec 14,000,000 acres. The total value of Live stock—in which Ontario led with $131,000,000 and Quebec followed with $58,000,000—was $257,077,302; the total wheat acreage was only 4,224,000. Comparatively, however, as against Canada's chief rival, the United States, conditions were rapidly changing during the period immediately before and after 1901. Canada's wheat yield had come to average 18 bushels an acre as against the United States average of 13 bushels. Canadian grain exports were increasing where United States exports were either stationary or declining. Western Canadian wheat was found to contain more albuminoids than the best European varieties; to make more and better bread than any wheat imported into Great Britain; to have 87 per cent. (1904) suitable for milling purposes; to have reached in its Manitoba product the highest price of any wheat in the world.

Much speculation existed as to the Western crop of 1906. New settlement, expanding interests, and increased investments, in the agricultural lands of Manitoba, Saskatchewan and Alberta aroused wide-spread interest in the planting, growing and harvesting of this crop. The total wheat production of the three Provinces in 1905 had been 84,506,857 bushels worth an average price, to the farmer, of 63 cents a bushel or a total of $53,300,065. In 1904 the average price was 73 cents upon a much smaller production. The estimates for 1906 varied considerably. The Ottawa Trade and Commerce Department in September placed it at 85,000,000 bushels; Mr. Premier Roblin of Manitoba, in July, thought it would total 100,000,000 bushels for export; the North-West Grain Dealers' Association said in August that about 77,000,000 bushels was the figure; the Canadian Pacific Railway authorities were stated to have put the total at 100,000,000 bushels; Mr. B. W. Snow, a Chicago expert, and the Winnipeg *Free Press,* placed it at 90,000,000.

The actual production, on Oct. 31st, was stated by the Department of the Interior at 90,824,141 bushels. These figures were obtained from threshing returns, etc., in the three Provinces. On Jan. 2nd, 1907, the Montreal *Star* stated that the wheat already marketted would total 52,618,609 bushels and that the balance held for seed and for sale would make a total of 90,250,000 bushels. Compared with 84,000,000 bushels in 1905 and 55,000,000 bushels in 1904 the progress was obvious. Including

oats, barley, etc., the total grain crop of the West in 1906 was about 201,000,000 bushels—valued roughly at $100,000,000. During the year 130,000 head of cattle arrived at Winnipeg and were distributed—some 85,000 head, or 20,000 more than in 1905, going to Great Britain.

The Montreal paper already quoted described the general conditions surrounding this trade very clearly; "As nearly as possible the price of export cattle at point of shipment has been ascertained, and it is just about $47 per head, giving a value of over four millions to the ranchers. It is known for an absolute fact that an average of $47.72 was paid for over 50,000 head of these cattle or considerably more than half the export. The cattle received for both butchers and export were in better condition than for many years past owing to the abundant rains in Alberta and the luxuriant grass. Shipments have been better spread over the year than in any other season, and this helped materially in keeping the prices steady. Nearly 800 cars were required to move the cattle from the ranges to Winnipeg and over 5,000 cars were required for export cattle." It is obvious from these facts that ranching had not yet been seriously affected in the West by either wheat or settlement. The natural grasses on the prairies of Southern Alberta and South-west Assiniboia still held their own and kept those regions a peculiarly good ranching country. In parts not well suited to ranching, irrigation has made, or will make, available extensive areas of apparently barren soil. Upon this point Mr. Patrick Burns, the well-known rancher of Calgary, told the Toronto *News* on March 10th, that:

> Ranching in Canada is doomed largely to disappear as a result of the great inrush of settlers. Large tracts of country that were thought to be good for nothing but ranching are, on account of the lack of rainfall, now being taken up by settlers, since the success of fall wheat-growing has lately been demonstrated in those parts. This means that all the lands within reasonable distance of the railways, whose branch lines are fast spreading over the country, will soon be occupied by settlers who will displace the ranchers. This transformation will go on rapidly until practically the whole ranching industry is wiped out. This does not mean, however, that fewer cattle will be raised, but the opposite. Alberta is designed to be a mixed farming country and many more cattle will be raised on the same land when the ranches are cut up in small farms. This division into farms will, incidentally, mean a large profit to the ranchers, some of whom have titles to a considerable amount of land, although the greater part of the lands are held only on lease from the Government.

Further details of Western production show that some 80,000 hogs reached Winnipeg during the 1906 season—not nearly enough to occupy local packing capacity or to meet local consumption. The latter statement also applied to mutton as only 30,000 sheep reached Winnipeg during the year. In Alberta the crops were excellent totalling, according to official estimate, 28,600,000 bushels of wheat, oats, and barley. In Saskatchewan the total official estimate was 56,227,200 bushels of wheat, oats,

barley and flax. In 1904 the production of the two Provinces—then the Northwest Territories—totalled 35,434,000 bushels. The wheat average in Saskatchewan in 1906 was 24 bushels to the acre and in Alberta 21 bushels. In Manitoba according to official figures* made public on Dec. 11th, the wheat crop, and other agricultural statistics for 1906, were as follows:

Product.	Area in Crop—Acres.	Average Yield per Acre.	Total Yield —Bushels.
Wheat	3,141,537	20·16	61,250,413
Oats	1,155,961	42·09	50,692,977
Barley	474,242	32·06	17,532,553
Potatoes	25,043	187·01	4,702,595
Roots	13,001	265·00	3,446,432
	Turkeys.	Geese.	Chickens.
Poultry Sold by Farmers	82,198	35,233	439,990

The Western Census of 1906 gave some figures describing conditions throughout the three Provinces. The live stock in Manitoba increased between 1901 and 1906 by 51,952 horses, 28,662 milch cows, 142,564 of other horned cattle, and 74,050 swine; in Saskatchewan by 157,105 horses, 56,178 milch cows, 199,623 of other horned cattle, 48,193 sheep and 96,163 swine; in Alberta by 135,533 horses, 54,950 milch cows, 519,996 of horned cattle, 74,211 sheep and 68,460 swine. In all three Provinces the total figures of increase were as follows: Horses from 340,329 to 682,919; milch cows from 244,216 to 384,006; other horned cattle from 698,409 to 1,560,592; sheep from 182,616 to 304,531; swine from 200,375 to 439,048. These increases were phenomenal but the following table of grain production shows that they did not stand alone:

Provinces.	1900. Acres under Crop.	1905. Acres under Crop.	1905. Number of Bushels.	1905. Bushels per Acre.	1906. Acres under Crop.
Manitoba :					
Wheat	1,965,193	2,422,345	47,626,568	19·66	2,722,386
Oats	573,848	779,279	31,408,692	40·30	931,373
Barley	139,660	253,942	7,544,150	29·70	343,412
Saskatchewan :					
Wheat	487,170	1,381,921	31,799,198	23·01	2,117,484
Oats	141,517	606,346	25,623,849	42·25	901,646
Barley	11,798	40,732	1,196,419	29·37	77,573
Alberta :					
Wheat	43,104	147,921	3,035,843	20·52	223,930
Oats	118,025	311,804	11,728,314	37·61	489,627
Barley	11,099	80,900	2,231,878	27·58	108,175
Totals for three Provinces :					
Wheat	2,495,467	3,952,187	82,461,627	20·86	5,063,800
Oats	833,390	1,697,429	68,760,855	40·50	2,322,646
Barley	162,557	375,574	10,972,447	29·20	529,160

While this Western crop of 1906 was great in volume and value—the wheat alone being worth $60,000,000 in round figures

* NOTE—Official Statement issued from Ottawa, on November 20th, 1906.

—it was not the only agricultural production in Canada. The often overlooked field crops of Ontario had been worth $134,000,000 in 1904 and, though the values in 1906 can only be estimated the production of wheat, barley, oats, and potatoes had each increased somewhat over the preceding year and the wheat average per acre had increased by nearly a bushel. The number of horses in the Province on June 30, 1906, according to official figures, was 688,147; of cattle 2,963,618; of sheep 1,304,809; of swine 1,819,778; of poultry 10,254,834. In horses, cattle and poultry there was an increase over 1905. The number of horses sold during the year ending June 30th, was 64,761, of cattle 741,476, of sheep 574,416, of swine 2,222,758, of poultry 3,473,708. The following table gives the production of grains, etc., during 1906:

Field Crops.	Acres.	Bushels.	Yield Per Acre.
Fall Wheat	787,287	18,841,774	23·9
Spring Wheat	171,745	3,267,000	19·0
Barley	756,163	25,253,011	33·4
Oats	2,716,711	108,341,455	39·9
Peas	410,356	7,388,987	18·0
Beans	51,272	950,312	18·5
Rye	79,870	1,327,582	16·6
Buckwheat	106,444	1,792,903	16·8
Potatoes	136,064	15,020,299	110·0
Carrots	4,980	1,598,698	321·0
Mangel Wurzels	69,352	32,863,192	474·0
Turnips	132,512	57,060,151	43·1
Corn for husking	289,456	23,988,682	82·9
		Tons.	
Corn for Silo	180,796	2,149,413	11.89
Hay and Clover	3,069,917	4,862,830	1.58

Conditions in the other Provinces were normal but in the absence of official annual statistics in this connection from Quebec, Nova Scotia, Prince Edward Island and British Columbia the Census figures afford the only complete indication of production. Omitting those Provinces, however, the Ottawa official estimate of Canada's total grain production in 1905 was 345,584,101 bushels as compared with 279,774,319 bushels in 1904 and 196,222,921 bushels in 1900.

British Columbia prospered considerably during 1906 and perhaps the following quotation from an interview given by Hon. R. G. Tatlow, Minister of Finance, to the Victoria *Times*, on July 21st, will best indicate local conditions: "Agriculture also advanced in common with every other line of work during the past year. This Province has always been a great purchaser up till the present, but now the tide has turned. The most promising feature, I think, is the fact that our imports of this character are decreasing rapidly. Last year the produce of Provincial farms and orchards reached the sum of $6,500,000 and there was a decrease in the value of such goods brought in of $500,000. If this rate is continued in a short time local produce will fully supply local markets. Mixed farming has done much to even

things up. There are splendid opportunities for this in many sections of the Province and the best evidence of it is the fact that we last year exported butter, eggs, poultry and cheese to the value of nearly $2,000,000."

Of Canada as a whole it may be said that if the value of the wheat, oat and barley crop in 1905 was, as the Dominion authorities estimated, $197,835,000; that of 1906 must have been considerably greater, in view of not only increased production but of higher prices. If so, such a record in cereals, alone, for a population of 6,000,000 people affords good reason for Canadian prosperity—even though no other causes were in existence. A word may be added here as to the soaring prosperity of the various Western Land Companies and the profits of railways such as the Canadian Pacific and other owners of land in the North-West. The Hudson's Bay Co. in the year ending June 30th, 1906, sold 236,191 acres of Government land grants for $1,863,375; the Canadian Pacific 1,012,322 acres at $6,015,060; the Manitoba South-western Colonization Railway Co. 83,418 acres at $360,889; the Calgary & Edmonton Railway Co. 85,784 acres at $480,063; the Canadian Northern 204,966 acres at $1,014,351; the Great North-West Central Railway 20,003 acres at $137,503; or a total of 1,642,684 acres at $9,871,241 as compared with 990,005 acres at $5,046,572 in 1905. The Canada North-West Land Co., the Land Corporation of Canada, the Western Canada Land Co., the Saskatchewan Valley Land Co. and other private corporations also sold largely at substantial profits. At the same time homestead entries under Government auspices for the fiscal year 1906 totalled 41,939 in number as compared with 30,924 in 1905 and 8,167 in 1901.

Agricultural Legislation and the Policy of Governments

Government encouragement of agriculture in Canada has been considerable in amount and varied in character. Until the recent development of mining and manufacturing it was popularly regarded as the paramount interest of the country and in volume of production and monetary investment still holds that position. Two decades ago much was said upon one side of politics about the protection of farmers against United States competition; much by the other party as to the value of the United States market for agricultural produce. In the "sixties" the truth of the latter statement was well proven. Now the question is one largely of domestic legislation. Cold storage arrangements for products exported abroad have been made by the Federal authorities. Experimental farm stations have been established at Ottawa, Nappan, N.S., Brandon, Man., Indian Head in Saskatchewan, Agassiz, B.C.; Agricultural Colleges have been built and maintained, by the Ontario Government at Guelph, by the Nova Scotia Government at Truro, and by the Manitoba Government at Winnipeg*; elaborate displays of Agri-

*NOTE—The President at Guelph is Mr. G. C. Creelman, B.S.A., and at Winnipeg Mr. W. J. Black, B.A. Mr. Melville Cumming, B.A., B.S.A., is Principal at Truro.

cultural products were made at Exhibitions such as those of Osaka, in Japan, Glasgow, Buffalo, St. Louis, the Imperial Institute, London and Liege and, in 1906, at Christchurch, New Zealand; Creameries were encouraged by both the Dominion and Provincial Departments of Agriculture.

During 1906 special efforts were made by the Federal authorities and by Lord Strathcona in London, to spread information abroad regarding Canadian resources in this respect and the possibilities, in particular, of a grain trade with Japan and a larger export of butter to Great Britain. Winter fairs, seed fairs, cattle inspection, poultry exhibits, were encouraged by the Department of Agriculture and in the North-West official measures were taken to improve the Homestead regulations and check the obtaining of Government lands for purely speculative purposes. Mr. J. A. Ruddick who, in 1905, had succeeded Dr. J. W. Robertson as Dairy Commissioner at Ottawa, exercised general oversight in the work relating to dairying, cold storage, extension of markets, etc. During the Parliamentary Session of this year legislation was passed for the better regulating of the marking of fruit packages and the definition of fruit grades; the regulation of the size of milk cans; the amending of the Grain Inspection Act by providing for a better certificate of inspection system, the creation of grades in what was styled the Alberta Red Winter Wheat, and the definition of "extra Manitoba Hard Wheat"; the amending of the Manitoba Grain Act by providing for a better distribution of cars in handling the crop. An important agricultural incident of the year was the appointment of a Royal Commission of Inquiry by the Dominion Government to consider all matters connected with the Grain Inspection Act and Manitoba Grain Act, with power to visit the grain growers and the elevators all over the wheat-growing region; to inquire into the methods of handling the grain at various stations, and farmers' elevators, as well as company elevators; the distribution of cars and methods of the grain dealers in Winnipeg, Toronto and Montreal; the system of Government inspection, collection of fees, and the selection of grades; the methods of handling the grain at Fort William and Port Arthur, at the lake ports, at Montreal, St. John and Halifax; and also the conditions existing in the manner of handling the grain upon its arrival in England.

The inquiry arose out of complaints presented to the Government by the Grain Growers' Associations of Manitoba, Saskatchewan and Alberta and by the Ontario Millers' Association. The members of the Commission, whose appointment was announced on July 25th, were Mr. John Miller of Indian Head, Sask. (Chairman), Mr. W. L. McNair of Keys, Man., and Mr. George E. Goldie of Galt, Ont., with Mr. J. R. Boyle, M.L.A., of Edmonton as Secretary. Much evidence was taken over a wide area of country. At Winnipeg the witnesses called and examined included F. W. Peters, W. B. Lanigan and G. J. Bury of the Canadian

Pacific Railway and G. H. Shaw of the Canadian Northern Railway; T. H. Hatchard, J. C. Gage and W. R. Bawlf of different Elevator Companies; Capel Tilt and C. N. Bell of the Grain Exchange; H. N. Baird on behalf of certain export interests which alleged discrimination by Canadian Lake carriers against Canadian trade; A. R. Hargraft, Hon. R. P. Roblin—who strongly urged the making of Winnipeg an order point and sample market; W. A. Black, W. L. Parrish, W. A. Matheson and C. H. Steel for various Milling companies.

The Commission visited Fort William, Port Arthur, Toronto, Owen Sound, Meaford, Collingwood, Midland, Kingston, Sarnia, and Goderich in Ontario; Montreal in Quebec; Portage la Prairie, Brandon, Cypress River, Hamiota, Carman, Dauphin, Manitou, Neepawa and Deloraine in Manitoba; Buffalo, Chicago, Minneapolis, Duluth and other grain centres in the United States; Edmonton, Lacombe, Calgary and other points in Alberta. Many witnesses dealt with the questions at issue between the Elevator companies and the farmers and between the alleged combine of grain dealers and the producer. It was estimated by witnesses in Toronto, with apparent authority, that there was a loss somewhere of 1,000,000 bushels of grain every year between the time of leaving the Lake Superior Elevators and reaching the British markets—a loss of about $750,000 to the farmers of the West in 1906. Grain exporters, especially in Montreal, claimed that freight rates for wheat to Europe were higher *via* Canadian routes than if shipped through the United States. In Alberta the farmers were anxious to have the shipping of their crops by way of Vancouver facilitated. Better grain inspection was urged at many points in the West. The Commission did not complete its work by the end of the year but one outcome of the Winnipeg investigation and of the Winnipeg *Tribune's* reiterated charges against the Grain Dealers' Association, was the institution of a suit by Mr. D. W. McCuaig of the Grain Growers' Association against several prominent members of the former body charging them with maintaining " an illegal combine in restraint of trade." The Provincial Government also appointed a couple of gentlemen to look into these charges.

In Ontario the work of Farmers' Institutes and the educative efforts of the Agricultural College and the Provincial Department of Agriculture were continued during 1906. Upon the general condition of affairs Mr. T. McMillan, one of the Institute Lecturers, told the Farmers' *Sun* on April 11th, that " as the result of an organized and well-directed effort farmers have been led to realize that the great secret of our continual and ever-increasing success as agriculturists depends upon a judicious system of stock feeding, by which more than market price can be obtained for our fodder and grain crops and soil-exhaustion prevented. Along these lines a peaceful revolution has been surely accomplishing its work." To the same paper, a week earlier, Mr. John

Campbell, of Fairview, described the general prosperity but referred also to the two great problems facing the Ontario farmer —the lack of labourers and the immigration of young men and old to Western wheat-fields. Amongst the greater educative elements, along the line of scientific agriculture, during the year was the work in this Province of the Experimental Union. Speaking on Dec. 11th, Mr. W. M. Hays of the United States Department of Agriculture told a Guelph audience that "in winter wheat, oats, and barley alone, experimentation and scientific seed selection and distribution had added at least $4,000,000 annually to the value of these crops in Ontario or $40,000,000 in the past decade. Yet the total cost of this work of education aad experimentation had been under $40,000." Two days later the Hon. S. A. Fisher, Dominion Minister of Agriculture, in addressing a Provincial Winter Fair gathering at Guelph referred to the work of Governments in helping the farmer and then proceeded:

> I find that our farmers are increasing production in all live-stock branches. They have been exporting more and more live cattle, dead meat, butter, cheese, poultry, eggs, with each succeeding year. I am glad to see this because I feel—and everything I see as I travel through the country proves it to me—that the interests of the farmers of Canada can best be served by turning all their crop products into live-stock and marketing them in the shape of live-stock. I need hardly tell you this, because you are essentially live-stock farmers, and it is because you are live-stock farmers that you and this great Province of Ontario are so eminently prosperous to-day. Mr. Dryden spoke about the increase of our dairy interests. I have not got exact figures, but from a rough estimate made the other day, I see that this season we have exported about $8,000,000 worth. The dairy industry is at the foundation of the bacon industry, because it is almost entirely due to the position of the dairy industry that you are able to produce hogs at the low price and consequent profit to which I have alluded.

Progress in Manitoba during the year was considerable. The Provincial Government, which already supported a travelling school of dairy instructors, also established and opened on Nov. 6th an Agricultural College at Winnipeg and encouraged the farmers in forming Institutes for mutual help, discussion, and instruction. Addressing the Manitoba Dairy Association on Feb. 13th, Mr. Commissioner Ruddick urged the establishment of cold storage facilities in creameries and regretted that, apart from Northern Alberta and British Columbia, there had been little progress in Western dairying of late years. In Alberta there were 14 Creameries in 1898 and only 12 in 1905—though the latter had been very prosperous, with a steadily-increasing output. In Saskatchewan the number had fallen from 14 to 4.* In Nova Scotia during the year efforts were made to encourage sheep-raising and the operations of the new Provincial Agricultural College at Truro provided opportunity for gratulation amongst those interested in agricultural development. In Quebec the construc-

* NOTE—*Free Press* report, February 14th, 1906.

tion of the Macdonald Agricultural College at Ste. Anne de Bellevue, with Sir W. C. Macdonald as the generous promoter and donour and Dr. J. W. Robertson as the Principal, promised much for progress in that Province. Many Associations existed in Canada, as a whole, for the purpose of aiding farmers and breeders of cattle, sheep, etc. Their work was second only in importance to that of the Governments concerned and the names of some of the chief ones, with their presiding officers for 1906, may be given here:

Name.	President.	Address.
Nova Scotia Farmers' Association	H. Miles Chipman	Nictaux, N.S.
Farmers' and Dairymen's Association, New Brunswick	Donald Innes	Tobique, N.B.
Dominion Cattle Breeders' Association	A. W. Smith	Maple Lodge, Ont.
Dominion Sheep Breeders' Association	J. M. Gardhouse	Weston, Ont.
Dominion Swine Breeders' Association	R. H. Harding	Thorndale, Ont.
Western Ontario Poultry Association	Wm. McNeil	London, Ont.
Eastern Ontario Poultry Association	J. A. Belford	Ottawa, Ont.
Canadian Horse-Breeders' Association	Peter Christie	Manchester, Ont.
Canadian Ayrshire Cattle Breeders' Association	Robert Hunter	Maxwell, Ont.
Saskatchewan Grain Growers' Association	E. N Hopkins	Moose Jaw, Sask.
Eastern Ontario Dairymen's Association	D. Derbyshire, M.P.	Brockville, Ont.
Western Ontario Dairymen's Association	T. Ballantyne, Jr.	Stratford, Ont.
Canadian Hackney Horse Breeders' Association	E. C. H. Tisdale	Beaverton, Ont.
Dominion Short-horn Breeders' Association	W. G. Pettit	Freeman, Ont.
Ontario Winter Fair Association	Arthur Johnston	Greenwood, Ont.
Alberta Farmers' Association	D. W. Warner	Edmonton, Alta.
Alberta Cattle Breeders' Association	R. K. Bennett	Calgary, Alta.
Alberta Horse-Breeders' Association	B. Wright	De Winton, Alta.
Saskatchewan Stock Breeders' Association	Robert Sinton	Regina, Sask.
Western Stock Growers' Association	W. Huckvale	Medicine Hat, Alta.
Manitoba Horse-Breeders' Association	J. G. Washington	Ninga, Man.
Manitoba Cattle Breeders' Association	S. Martin	Rounthwaite, Man.
Manitoba Sheep and Swine Breeders' Association	E. James	Rosser, Man.
Manitoba Grain Growers' Association	D. W. McCuaig	Portage la Prairie.
Winnipeg Grain Exchange	Capel Tilt	Winnipeg, Man.
Montreal Corn Exchange	T. A. Crane	Montreal, Que.

Progress of Irrigation in the West

One of the great works of development in the West during several years past has been the Irrigation project of the Canadian Pacific Railway in the neighbourhood of Calgary. It is probably the largest active scheme of the kind upon the continent and the area of 3,000,000 acres involved is said to be as large as all the irrigated lands of California, or Colorado, and twice the size of the Utah, Idaho or Wyoming works. This block of land has an average length east and west of some 130 miles and an average width north and south of about 40 miles. Nearly all of it is owned by the Railway and was originally a semi-arid piece of country which was obtained from the Government in exchange for a part of its land grant. Writing of the work under way in 1906 Mr. Frank G. Carpenter described the scene in March of that year as follows:

The Bow River flows by Calgary. I drove out to look at the ditches already excavated, and to examine the irrigation project so far as it is completed. Taking carriages, we drove for miles over the prairie, riding at times along the embankments of the main canal, which is sixty feet wide at the bottom, ten feet deep, and takes from the Bow something like 20,000 gallons of water every second. At many places the men were working, and the scenes were much like those I saw on the Panama Canal. There were hundreds of horses scooping up the prairie, there were great steam shovels gouging out the earth and loading it upon cars, and there were long train-loads of excavated material moving on the temporary tracks from one place to another.

He estimated the cost of the undertaking at $6,000,000. Mr. Herbert Myrick, publisher of a number of United States agricultural papers, also indicated the nature of the work and possibilities of future values in an interview with the press on Aug. 16th: "I desire to say that I consider it the most rational in America. This enormous ditch has been constructed with such economy and the intake water is obtained so economically, that this land can be sold at a less price per acre to the settler than any other irrigable land on this continent. The annual cost of water (50 cents for each acre irrigated) is much less than prevails elsewhere. I was through the irrigated sections of Colorado. Such land is valued there at from $100 to $300 per acre. In the Yakima valley, in Washington, orchard land under irrigation is worth up to $2,000 per acre."

Speaking to the Winnipeg *Free Press* on Dec. 22nd, Mr. C. M. Richardson, the Company Inspector, stated that this region was capable of carrying a population equal to that of Connecticut and Rhode Island; that nearly 1,000 miles of canals and ditches were already constructed which tapped the Bow River, two miles east of Calgary, by a main canal 17 miles long and 65 feet in width at the bottom, 125 feet at the water-line and 10 feet deep. This canal led into a natural reservoir or lake 3 miles long, half-a-mile wide, and 40 feet deep. "A good many people," he said, "are tilling the soil and raising crops. They are growing three crops of alfalfa in a season; obtaining a yield of six tons to the acre. Then, too, ten tons of sugar-beet can be raised per acre; and as the farmers receive $5.65 a ton you will see how profitable this class of cultivation is. There is a factory near Lethbridge which will produce over 8,000,000 pounds of sugar this year. Canada's sugar supply is obtained largely from foreign countries but, in time we ought to be able to supply our own market. The irrigated land is worth now from $18 to $25 an acre. Dry land which lies above the watered area is sold at $14 to $15. For the use of the water the farmer pays 50 cents per annum compared to $4.00 and $6.00 in California and $8.00 to $10.00 in Australia."

Surrounding Medicine Hat, in Alberta, an English concern, the Robbins Irrigation Company commenced arrangements during the year for the irrigation and improvement of some 300,000 acres on the Bow and Belly Rivers, lying between the

C. P. R. main line and the Crow's Nest Pass Railway. According to a statement made by Mr. Premier Scott, on June 29th, they " entered into a contract to expend a minimum of $1,000,000 in the project, and expected that the outlay on improvements and works will run to $1,500,000, outside of certain factories which the Company will erect in Medicine Hat. They will have an English Board with a Canadian Board of Management in the town referred to and their scheme contemplates the settlement of a tract with United States and Canadian settlers who have experience in working irrigation lands." At a later date changes occurred in the Company's composition, and the land was transferred to the Southern Alberta Land Company, Limited. Some 10,000 acres were also acquired for purposes of irrigation from another concern—the Grand Forks Cattle Company. Immediate development work was promised.

In the Okanagan Valley, British Columbia, quite extensive irrigation works were carried on or completed during 1905 and 1906. Small lakes, creeks, or springs, are here found upon the sides of the surrounding hills and by ditch and flume are brought around the hills or across the valleys and spread over the flat regions; or diverted over the sides of hills that can be cultivated. These flumes traverse the valley in every direction and marvellous results are said to have been achieved. Splendid fruit farms and land at $1.00 an acre are to be seen. In the White and Coldstream valleys, a few miles from Vernon, similar works have been projected by the White Valley Immigration and Power Company, Ltd., and many thousand acres of soil will soon be made available for production or increased profit.

The Fruit-Growing Industry in Canada

Practically a part of the agricultural interest of the country is the cultivation of fruit in gardens and upon farms. It is considerable, and constantly increasing, in proportions. The Niagara Peninsula in Ontario, the Okanagan, Similkameen and other valleys amongst the mountains of British Columbia, the Annapolis Valley in Nova Scotia, are specially well-known regions in this respect. The varied climatic conditions of Canada include many elements favourable to such farming. In the East, the cool sheltered valleys of Nova Scotia afford conditions congenial to the growth of the apple to a wonderful degree of perfection and of the highest flavour. In Prince Edward Island and in portions of New Brunswick there are many successful orchards and fruit-growing in those provinces is rapidly extending. In the Western parts of Quebec, particularly about the Island of Montreal, much highly-flavoured fruit is grown while throughout the larger part of Ontario most progressive farmers have an apple orchard as one of their sources of income.

In Western Ontario, particularly in the Niagara Peninsula, also along the shores of Lake Erie, the climate is specially favourable for the growth of the more tender fruits in great perfection,

and in these districts the choicest varieties of peaches, pears and plums are grown in large quantities. In the specially favoured spots the growing of fruit is the chief occupation of a large number of the inhabitants. A wide area is also devoted to the cultivation of small fruits, especially strawberries and raspberries, grown to meet the demand in the large centres of population. The acreage under grapes is also large and the high quality of the well-ripened fruit bears testimony to favourable conditions. On the great plains, in the central-western country, the large fruits are not grown successfully owing to unfavourable conditions of climate. Some of the small fruits, however, are produced in considerable quantities. In the central valleys of British Columbia, lying between the two ranges of mountains known as the Gold and Coast Ranges, where the rainfall is scanty, fruit-growing is carried on extensively. Where sufficient supplies of water are available for irrigation, apples, pears, plums and cherries are very successfully cultivated and, in some districts, the peach also. West of the Coast Range, in what is known as the coast climate, the conditions are not very favourable for the peach; but the other large fruits mentioned are grown in great perfection and in abundance.

The actual number of fruit trees in the country, according to the Census of 1901, was 14,087,936 in Ontario, 3,055,805 in Quebec, 2,294,780 in Nova Scotia, 761,834 in New Brunswick, 360,060 in Prince Edward Island, 567,782 in British Columbia, 63,637 in Manitoba and 9,405 in the Territories. The number has greatly increased since then and the figures give little real indication of the possibilities of Canada as a fruit-bearing country. The production of apples in 1901 was estimated at $4,656,546 and of peaches, pears, plums, cherries, etc., at less than a million dollars in each case. Small fruits showed a total of $1,085,389 and the entire product a value of $8,230,000. The export of apples in 1904 was $4,590,793 as compared with $1,821,463 in 1895. In 1906 it was $4,296,632. Other fruits in this latter year totalled $585,677 in value. During 1906 a large and rapidly-growing trade sprang up between Ontario and the North-West by way of the Great Lakes with shipments originating at all points between Windsor, on the Detroit River, and Collingwood on Georgian Bay.

In the Niagara district an unusually large crop of grapes—some 4,000 tons—was produced from a thousand acres in the Counties of Lincoln, Welland and Wentworth. The peaches and some other fruits of this section were not found quite suitable for the West and various corrective experiments were initiated at a farm near St. Catharines which Mr. M. F. Rittenhouse of Chicago placed at the disposal of the Ontario Government. Cherries were a very large crop and proved most profitable. Speaking at an agricultural meeting on Dec. 11th, Mr. Robert Thompson, of St. Catharines, dealt with general fruit produc-

tion and declared that Ontario farmers were neglecting their opportunities. "Of a total crop of some 50,000,000 bushels of apples in Ontario, fully one-half was wasted through neglect of proper marketing, proper selections, etc. This year some 64 carloads of fruit had been sent out to the Canadian West under the direction of Prof. Reynolds and, almost without exception, the shipments had been an unqualified success. The future of Ontario's trade in fruit with western Canada promised much larger profits to local fruit-growers. The market was unlimited. The only thing needed was proper packing and shipping, proper labelling and more aggressive efforts to capture the market."

At a meeting of the Provincial Fruit Growers' Association in Toronto on Nov. 8th, Resolutions were passed thanking the Dominion Minister of Agriculture for calling the Conference of Canadian Fruit-Growers and the Government for placing the control of express rates in the hands of the Railway Commission and for giving a legal definition to No. 2 grade of apples; expressing warm appreciation of the official work of Mr. Alex. McNeill, Chief of the Ottawa Fruit Division, and his remarkably full and correct reports regarding fruit conditions; asking the Department of Trade and Commerce to secure fuller information as to conditions in Great Britain, Australia, and South Africa; approving legislation providing for a guarantee of their stock by nurserymen; and thanking Mr. Rittenhouse of Chicago for his gift to the Province and the Provincial Government for its prompt equipment of the station.

In Winnipeg, during this year, there was considerable demand for British Columbia fruit and also at other points in Manitoba and the new Provinces. British Columbia's export trade in fruit was confined chiefly to these portions of Canada and to Australian shipments. The latter, according to the annual Report of the Department of Agriculture for 1906, had not been altogether successful in the preceding year—owing in the main to inexperience amongst the shippers. The fruit industry as a whole, however, prospered in this Province during 1905 and 1906. During the five years, 1901-5, the area in fruit trees increased from 7,430 acres to 22,000 acres with over 1,000,000 trees planted in 1905. The shipments of fruit rose from 1,956 tons in 1902 to 4,350 tons in 1905, valued at $350,000, with a total estimated value for the crop in the latter year of $1,000,000. The principal localities in which the industry was successfully established were the Fraser River Valley, Kamloops, Lytton, Ashcroft, Enderby, Armstrong, Similkameen, Penticton, Nelson, Kelowna and Vernon.

In the Okanagan Valley, which includes Enderby, Vernon, Armstrong, Kelowna, Peachland, Summerland, etc., a change was rapidly proceeding during 1906 from a cattle and wheat into a fruit and dairy country. Speaking to the Winnipeg *Free Press* on Sept. 10th, Mr. H. P. Lee of Vernon referred to an

important point in this respect: "As to the value of land in the valley, it is difficult to express an opinion. Land is worth for farm purposes just what it will produce, and in the way of production we have had some wonderful results in the valley. On the Coldstream Ranch, the property of the Earl of Aberdeen, twenty acres last year produced a net profit of $10,875, an average of over $500 an acre. This was from an orchard of Northern Spies." Selling prices varied but he stated his willingness to pay $40 an acre for one large ranch if a projected Company could be organized. Writing to the Toronto *Star* on Aug. 18th, a special correspondent described this region as follows: "Along the beautiful sheet of water lie the new fruit-growing centres of Kelowna, Peachland, Summerland and Penticton—musical names all. To be privileged to eat real apples from a British Columbia orchard, and to pick real rosy-cheeked peaches from a Peachland tree; to see pear and plum trees laden to their limit and flourishing amid their irrigation channels; was to realize that in this great timber and mining Province of Canada fruit-growing is already an established industry where you may pay up to $500 an acre for choice orchards."

The Valleys of the Kootenay, Slocan and the Arrow Lakes are specially productive in this connection with "benches" of land said to be the finest for fruit growing in all Canada. Most of it has been taken up in the past few years but more is available with slight irrigation efforts. In Idaho, Washington and Oregon similar lands are now worth $250 to $500 an acre unimproved and $1,000 an acre improved. In December, 1906, Mr. R. M. Palmer, in charge of British Columbia fruit exhibits in Great Britain, was able to cable the news of a gold medal being awarded the Province by the Royal Horticultural Association of London together with 10 individual medals; and of another gold medal being awarded by the Scottish Horticultural Association for an exhibit of British Columbia apples.

The Second Conference of the Fruit Growers of the Dominion was held at Ottawa on March 20th and three following days, under the auspices of the Department of Agriculture and with delegates present from every Province. The Hon. S. A. Fisher was permanent Chairman and in his opening address referred to the question of variety in production, the operation of the Fruit Marks Act and the problem of cold storage and general transportation as being matters requiring consideration. During the discussions many important facts were brought to light. Mr. A. W. Peart estimated that the annual average value of fruits in Canada during the past five years had been $10,295,625; that the average valuation of the apple orchards of the Dominion was $150 an acre; that the capital of the entire fruit industry of the country was $73,191,415 and the capital earning profits was $48,000,000; that the total for Ontario was $55,000,000 and the average annual value $7,505,636. Mr. Ralph Eaton declared that

a number of orchards in Nova Scotia were valued at $1,000 an acre and paid 15 per cent. on that valuation. Western delegates stated that a large market was growing up there and they wanted and would pay for the best fruit products of Ontario and British Columbia.

Addresses were delivered at a public meeting by the Minister of Agriculture, by Sir F. W. Borden, and by Dr. J. W. Robertson. The latter described the whole fruit problem of production, handling, transportation and marketting as largely dependent upon popular education, organization of farmers in their work and methods, and legislation which would prevent fraudulent packing and representation. Resolutions were passed urging enforcement of the Pure Foods Act against the sellers of adulterated jams and jellies and maple syrups; asking for fuller and more frequent Reports from the Department of Agriculture; requesting the establishment of new sub-stations in the various Provinces for experimental work in pruning, spraying, irrigating, fertilizing, etc.; approving the idea of a vigorous campaign by the Government and the Association to exploit the apple markets of Europe, Great Britain, and South Africa; urging Provincial Governments to enact legislation against the sale of inferior nursery stock; asking the Dominion Government to increase the penalties for third and subsequent violations of the Fruit Marks Act; asking that subsidized lines of steamships, of 14 knots and over, should be compelled to have thoroughly ventilated holds for fruit, close supervision of stevedores, and indemnification to shippers for loss incurred through failure to sail upon advertized dates; supporting the project for faster steamship communication between Halifax and Great Britain. Some of the other Fruit Associations and their Presidents for 1906 were as follows:

Name.	President.	Address.
British Columbia Fruit Growers' Association	T. A. Brydon	Victoria, B.C.
Western Horticultural Society	Angus McKay	Indian Head, Sask.
Ontario Fruit Growers' Association	James Scarff	Woodstock, Ont.
Quebec Pomological and Fruit-Growing Society	Auguste Dupuis	Anlnaies, Que.
Nova Scotia Fruit Growers' Association	John Donaldson	Port Williams.
New Brunswick Fruit Growers' Association	J. C. Gilman	Fredericton.
Prince Edward Island Fruit Growers' Association	Rev. A. E. Burke	Charlottetown.

General Mining Conditions in Canada

Upon the whole mining conditions were prosperous throughout the Dominion in 1906. The attention of the public was engrossed by the Cobalt discoveries and operations and these counteracted, to a considerable degree, the actual decrease in Yukon production. British Columbia had a most successful year but exact official figures are not usually available as to the product of the Provinces until many months after the close of any par-

ticular year. The production of Canada in 1905 and 1906 was as follows:*

Products.	Value, 1905.	Value, 1906.
Metallic:		
Copper	$ 7,420,451	$10,994,095
Gold, Yukon and all other	14,486,833	12,023,932
Iron Ore (export estimated)	125,119	149,177
Pig Iron, from Canadian ore	1,047,860	1,724,400
Lead	2,634,084	3,066,094
Nickel	7,550,526	8,948,834
Silver	3,605,957	5,723,097
Cobalt, and all other Metallic products, including Zinc	280,000	350,000
Total Metallic	$37,150,830	$42,979,629
Non-Metallic:		
Asbestos	1,486,359	1,970,878
Coal	17,658,615	19,945,032
Corundum	149,153	204,973
Gypsum	581,543	591,828
Limestones, for flux in iron furnaces	258,759	286,632
Mica	168,043	581,919
Mineral Water	100,000	100,000
Natural Gas	314,249	528,868
Petroleum	849,687	761,760
Pyrites	123,574	157,438
Salt	310,858	327,150
Miscellaneous	265,553	282,134
Total Non-Metallic	$22,266,393	$25,738,612
Structural Materials and Clay Products:		
Cement, Portland	1,913,740	3,164,807
Granite	209,555	.....
Sands and Gravels (exports)	152,805	139,712
Sewer Pipe	382,000	446,790
Building Material, including Bricks, Building Stone, Lime, etc	6,095,000	7,200,000
Miscellaneous	104,384	30,498
Total Structural Materials and Clay Products	$ 8,857,484	$10,981,807
Total Non-Metallic	22,266,393	25,738,612
Total Metallic	37,150,830	42,979,629
Estimated value of Mineral Products not returned	300,000	300,000
Total	$68,574,707	$80,000,048

As the total production in 1886 was only $10,221,255 and in 1896 amounted to $22,584,513, the progress of recent years may be easily understood. The product in 1904 was $60,073,897. The Mineral resources of the various Provinces of Canada are, in fact, both vast and varied, the discoveries of new and rich regions are numerous and constant, the possibilities of production in the future almost illimitable. Gold has been found in most of the Provinces but has not been mined to any serious extent except in British Columbia, Nova Scotia and the Yukon. The gold belt of British Columbia is a continuation of the great aurif-

* NOTE—These figures are official and "subject to revision," but changes are so few and unimportant from year to year that they may be considered correct.

erous ranges of the Western States and, although production was at first mainly of the placer kind, it has changed of late years into a substantial development of quartz mining. Since 1857, when the rush began from the placer fields of California to those of British Columbia, the production of placer gold in the Province has totalled $67,772,703 in value and that of lode gold $36,385,058. During the placer period production ran between the $2,656,903 of 1862 and the $1,046,737 of 1881. Between the years 1898 and 1905 it has risen steadily from $2,939,852 to $5,902,402. Most of this increase is due to the evolution of mining camps such as Rossland and the growth of hydraulic mining on a large scale.

In Nova Scotia results and conditions have not been so marked. For more than 40 years gold has been mined there by machinery—no placers having been discovered. Since 1862 the production has totalled $16,728,319, or a yearly average up to 1904 of $389,000. In the Yukon gold production commenced seriously in 1897 with one of those historic rushes of reckless miners and adventurers which have made the history of mining so interesting. About a million and a half had been produced in fragmentary ways during the preceding decade but in the year mentioned it rose with a bound to $2,500,000 and during the next seven years it totalled $90,000,000. Placer mining and hydraulic machinery is being largely imported and put into use but, meanwhile, production has declined from $22,000,000 in 1900 to about $8,327,200 in 1905.

Auriferous gravels are known to exist in the Chaudière River and its tributaries, in Quebec, and about $2,000,000 has been taken out in the past 60 years. According to the Census returns of 1901 the total mineral production of this Province was $2,960,-704 of which $1,863,895 was structural material of stone and clay. In 1905 the total was $3,750,300. Of this asbestos represented $1,476,450—nearly a million dollars increase in four years—and $1,847,050 structural materials. The cement industry also showed development. During 1906 mineral discoveries and work took place in the Lake St. John district at a place called Chibugamoo where explorations were made and work done by some 20 companies with 700 square miles under prospecting licenses. Mr. Peter McKenzie, of Montreal, who was interested in one of these concerns told the *Star,* of Aug. 11th, that: "It is the richest country in minerals that I have ever seen, and probably one of the best in the world. It is wonderfully rich, not only in gold, but also in copper, silver, nickel, iron and other ores; and is at the same time a fine country for agriculture and timber as well as a sportsman's paradise." He stated that in the open cuttings of his Company the ore averaged $11 in gold and about $50 in copper to the ton. Nickel-bearing ore, iron-ore, and silver had also been discovered in, he believed, paying quantities. Gold was discovered in the Montreal River region,

near Opasitica Lake, and running from the mineral veins of Temiskaming, Ontario.

Gold was first found in Ontario in 1866 but, although it has since been discovered at various points for nearly a thousand miles upon the northern formation of the Province—especially in the region lying to the west of Lake Superior—only $2,100,000 in all has been extracted. Next in value to the total Canadian gold product of $217,000,000 since 1862 and to the potential resources of the country in that respect is that of coal which may be roughly estimated at a production of $100,000,000 since 1874. In 1905 the total value of coal for all Canada was $17,658,615 as against $14,486,833 worth of gold. Ontario and Quebec are almost devoid of this important mineral. In Nova Scotia and New Brunswick there are about 18,000 square miles of carboniferous rock but only a small portion contains workable coal seams. The best of these are in the former Province (about 635 square miles) and those of the Island of Cape Breton are remarkable for both number and thickness. The out-put of Nova Scotia has increased steadily from $1,777,669 tons in 1880 to 5,247,135 tons in 1904.

In the year ending Sept. 30th, 1905, the production of this Province totalled $5,050,420 tons with shipments of 1,651,735 tons to the people of the Province, 411,967 tons to New Brunswick, 138,120 tons to Newfoundland, 75,136 tons to Prince Edward Island, 1,492,398 tons to Quebec, 2,524 tons to the West Indies and 652,538 tons to the United States. The other mineral productions of Nova Scotia in 1905 included 15,550 ounces of gold, 73,000 tons of iron-ore, 367,778 tons of coke, 197,292 tons of gypsum, 275,002 tons of limestone, 4,500 tons of barytes. The royalty received by the Province from gold during the year was $5,410 and from coal $549,639. The chief incident in connection with Nova Scotian mining during 1906 was the controversy which arose between the Dominion Coal Company and the Dominion Iron and Steel Company. This trouble, some labour difficulties, and a serious fire encountered by the Dominion Coal Company in its Hub Colliery, no doubt affected production in the magnificent mines controlled by the capitalists of these two companies. Heavy preceding expenditures upon equipment were continued and a new electric plant was under construction. Mineral production in New Brunswick has never been large. The 1901 figures were only $650,679. Coal has been mined but in a desultory fashion from thin seams spread over a wide area. Latterly, however, discoveries have been made at a place called Minto, in the Newcastle district, of two seams from which a small group of mines extracted in 1906 about 50,000 tons. The Sydney *Herald* of Nov. 27th had the following description of conditions and methods:

Occasionally these seams come almost together or are separated by a thick parting of black shale, so that a thickness of 28 to 30 inches of coal can be mined. For many years the entire output of this area was

shipped as run of mine, but little care being taken to separate shale or sulphur; so that the coal, as shipped, was dirty, and the entire output was regarded with great disfavour as mineral fuel. Within the last four years a change in mining methods, however, has been inaugurated and the coal, after mining, is carefully screened, inspected and shipped by rail to the Intercolonial at Norton where it is used on that railway, between St. John and Moncton, and gives good satisfaction as a steam producer.

Elsewhere in Canada—especially the West—there are vast quantities of coal. From the western part of Manitoba (where there is a coal area of about 15,000 square miles) to the Rocky Mountains there stretches an area of coal beds some 60,000 square miles in extent and containing vast quantities of a useful though slightly inferior coal. In 1903, 614,445 tons were mined. British Columbia possesses immense resources in this respect of which the chief production has, so far, taken place at the Nanaimo mines on Vancouver Island, at Crow's Nest Pass Collieries near Fernie, on the mainland, and at a place called Anthracite on the main line of the Canadian Pacific Railway. It has been estimated by an officer of the Canadian Geological Survey that the Crow's Nest Basin would allow of 10,000,000 tons of coal being taken from it for 7,000 years without exhausting the supply.

The mineral resources of Canada, as a whole, are hard to measure. The Census figures of 1901, besides the already quoted ones for Quebec and New Brunswick which totalled $3,650,000, showed a British Columbia production of $14,697,777; a Manitoba product of $216,830, composed of structural materials and a similar production in Prince Edward Island of $15,735; an Ontario production of $10,417,675; a Territorial product—including the Yukon—of $9,973,558. But these figures only touched the fringe of possible production. The chief minerals extracted up to 1905, apart from gold and coal, were copper, nickel, silver, lead, asbestos, cement, iron-ore and building material, totalling in the year named $32,000,000. Yet Ontario and British Columbia have enormous quantities of silver—developing in the former Province from the Silver Islet experience to the sudden discoveries at Cobalt. Lead is found in large quantities in British Columbia and that Province, with Ontario and Quebec, has quantities of copper which the nickel developments at Sudbury, in Ontario, have increased the knowledge and production of. The nickel deposits of that region are, in fact, the greatest in the world while many of the Provinces—notably Nova Scotia, Ontario and British Columbia—possess large resources in the iron-ore which is often described as a chief factor in national success along industrial lines.

Immense deposits of magnetite and hematite exist in Western Ontario. Asbestos, zinc, Chrome-ore, aluminum, antimony, graphite, apatite, corundum, manganese ore, mica, platinum, barytes, phosphate, feldspar, plumbago and pyrites exist in large, though undefined quantities, and with varied distribution through-

out the country. Salt exists in immense quantities; structural material such as shale for brick and tile-making, limestone and sandstone for building purposes, the clays and limes used in making cements, and granite, with some varieties of marble, are found throughout a part of the Province. The labradorites of Labrador, the tourmalines and peristerites of Quebec, the jaspers and agates of Nova Scotia and Lake Superior, the perthites and sodalites of Eastern Ontario, afford handsome gem material though it is not yet utilized. Petroleum and natural gas are constantly being discovered in new and richer quantities while peat exists to an immense extent in Quebec. The progress of Canada, as a whole, in specific mineral production may be seen by a glance at the following table of the chief items, in certain years, compiled from official figures:

Product.	1892.	1898.	1905.
Copper	$ 818,580	$ 2,134,980	$ 7,420,451
Gold	907,601	13,775,420	14,486,833
Iron Ore	263,866	152,788	1,172,979
Lead	33,064	1,206,399	2,634,084
Nickel	1,399,956	1,820,838	7,550,526
Silver	272,130	2,593,929	3,605,957
Asbestos	390,462	491,197	1,486,359
Coal	6,363,757	8,222,878	17,658,615

It might perhaps be added that the exports of Canadian coal in 1904 were $1,557,412; the imports of bituminous coal, $9,108,-208; and the imports of anthracite coal, $10,461,223. The consumption of coal in Canada was, in that year, placed at 6,697,183 tons of home production and 6,909,651 tons imported. An interesting, though perhaps not very practical, incident of the year was the expression of a belief by Dr. George F. Kunz, the Mineralogist of Tiffany and Company, New York, that somewhere in Northern Canada there existed a large diamond bed. His conviction was based upon the occasional finding of diamonds in the Central States of the Republic which had evidently been deposited there by glacial action from the north. Dr. H. M. Ami, the Canadian geologist, had already expressed somewhat similar opinions and even located a possibility of diamonds in the clay belt of Nipissing, in northern Ontario. Speaking to the Montreal *Herald* of Feb. 17th, the Rev. Father Paradis, of Sturgeon Falls declared that he could himself confirm this condition from personal observation. "The precious carboniferous gems" he added, "are now there awaiting intelligent and well-directed effort."

In Mr. Elfric D. Ingall's annual summary of mining conditions special attention is drawn to the estimated shipment of silver from Cobalt in 1906, valued at $3,663,486 and closely agreeing with the Ontario Department of Mines in quantity and values. He states that at the end of the year there were 800 coke ovens in operation in Nova Scotia and that the total quantity of Portland Cement made in Canada was 2,152,562 barrels as compared with 1,541,568 barrels in 1905. The respective values were $3,164,807

and $1,913,740, while the imports of this product in 1906 were $778,706. The present production of petroleum was stated to be confined to Ontario and a small quantity in New Brunswick although much promising search and many boring operations were carried on in Alberta and Saskatchewan during the year—both for oil and natural gas. Some new oil-fields were found in Ontario. The production of natural gas increased, owing to the development of new gas pools in the Brant, Haldimand and Norfolk Counties of Ontario and the successful working of the Medicine Hat field in Alberta.

Mineral Resources and Development in Ontario

Apart from the spectacular progress of the Cobalt region there was much substantial mineral development in this Province during 1906. All through the Northern part of the Province fresh riches in this respect were constantly discovered or alleged to exist. In addressing the Canadian Club at Ottawa on Jan. 5th, Mr. W. G. Miller, Provincial Geologist, was enthusiastic about the mineral wealth of Ontario. It had, he declared, "a magnificent mineral outlook." This statement was supported by a more or less technical description of how the geological strata lay in Northern Ontario. The mines in that region were not, he explained, developed to any extent, as were those south of Lake Superior, but he could see no reason why they should not be worked until the region was recognized as containing some of the best iron mines in the world. After showing various views of such mines the lecturer turned to a specific consideration of the mineral wealth of the Province. He showed to the audience views of the corundum and graphite mines in Renfrew County and mica works and manufactories which could not be re-duplicated elsewhere. He showed a view of a gold mine north of Lake of the Woods, the oldest in America. From this he passed to the arsenic mine in Hastings County, the only mine of its kind in Ontario and until a couple of years ago the only one in the world.

Speaking to *The Globe,* of March 23rd, Mr. S. J. Ritchie of Akron, Ohio, who had done so much pioneer work in the exploiting of Canadian nickel ore, declared that the people of Ontario could now build their cities of granite and marble instead of brick. "You may," he said, "judge of my surprise last week when up on the Central Ontario Railway, in which I am interested, I came across a man who convinced me that around the village of Bancroft there is one of the most remarkable deposits of red, grey and blue granite and white marble in the world, besides sodalite and other coloured stones that can be worked up into even more beautiful finishing material than marble." He had seen a vein of marble 1,200 by 400 feet in size. The story, as continued by *The Globe,* was that these deposits were first brought to the attention of Mr. Thomas Morrison of Aberdeen, Scotland, who was now working a sodalite mine near Bancroft with a product going entirely to London, England. Writing to Mr. Ritchie, he had described the local mineral as follows:

These granites vary in colour and texture and are equal to some of the best Aberdeen red and grey granites which are imported in the shape of monuments to Canada and the United States. Of course, before large blocks could be quarried suitable for monolith columns and large building work or heavy material suitable for bridge construction, etc., considerable developing work would have to be done, but there is no doubt about the material being here and with very little work it could be quarried in sizes suitable for monumental purposes. The red granites could be classified into three grades according to their grain and colour and if two polished samples were placed alongside the two Scotch granites any practical mason or engineer would have to admit that for polish and colour the granites from Bancroft were equal to the Scotch granites.

Speaking in the Legislature, on April 24th, the Hon. F. Cochrane, Minister of Lands and Mines, stated that he had seen specimens of coal north of Lake Superior from which he hoped some development might result. Nothing, further, was heard of the matter. On July 31st, Mr. W. A. Cockburn of Sturgeon Falls, announced a discovery of rich iron-ore in the Township of Kirkpatrick, about 12 miles from that town. He had seen a vein of about 25 feet wide exposed. Near Temagami, and some 20 miles south of Cobalt, the discovery of a mineral composed of molybdenum and gold was announced during the year and to the press, on Aug. 11th, Mr. L. O. Armstrong, of the Canadian Pacific Railway, stated that from eight to ten claims were already being developed. In the Township of Playfair, Temiskaming, some 85 miles north of New Liskeard and within three miles of the proposed Temiskaming and Ontario extension, gold was found in August and the finder was stated to have received $25,000 cash for his claim. Samples were announced (*News,* Aug. 25th) as analysing 411 ounces to the ton or about $8,000.

Near Fort William, the great masses of iron-ore known to exist received a further impetus in development by the commencement of work upon a smelter under the auspices of a syndicate of capitalists headed by Mr. Hugh Sutherland of Winnipeg. Further west in the Rainy River district fresh indications of silver, gold, copper, iron and lead, were found and some mines were put in operation. The silver district adjacent to Port Arthur, which had many years before been so productive, was also promised, about this time, a new awakening to active work through a syndicate of American capitalists. In the *N. Y. Commercial* during November a great deposit of hematite lying some 20 miles eastward of Port Arthur, averaging about 3 miles in width, 6 miles in length, close to the shore of the lake and said to have 200,000,000 tons of high-grade iron-ore in sight, was described. Development work was in progress and plants and an ore dock projected. Writing to *The Globe* on Sept. 1st, Lieut.-Colonel George A. Shaw described this region from personal observation as being " one mass of veins or lodes." In greater detail he went on as follows:

The mineral belt or zone, as far as known in the Thunder Bay district, is from four to six miles wide and over 100 miles long, and is confined to the slate bed and formation. It contains by far the largest silver-bearing ledges or veins in the country. Most of the mining locations are freehold, titles indisputable, with no royalties or dues chargeable thereon. The ledges, or veins of silver, discovered and fully proved are from three to nine feet wide, with ore of quality almost unprecedented and in quantities enormous. The specimens are simply marvellous, assaying in unusually high figures to the ton. The country consists of a series of flat-topped hills ranging from 100 to 200 feet in height, separated by valleys, most of which are fit for cultivation.

To the Montreal *Herald* of Sept. 17th, Mr. L. O. Armstrong —already quoted in another connection—spoke of a valuable discovery of copper near the old Bruce copper mines in Northern Ontario. He declared that some of the veins were large and highly laden with the mineral and stated that a Company was being formed to exploit them. Prospectors confirmed this discovery at a later date and operations were in progress before the close of the year. According to detailed statements and carefully sustained narratives in *The Globe* of Oct. 30th and 31st, rich gold discoveries were made in the Larder Lake district north of Cobalt and Haileybury and near the Quebec boundary line. The prospectors claimed quartz gold in sight upon their claims assaying $122 to $1,868 per ton.

Nickel production and development continued to increase. The only competition came from New Caledonia, whose product in 1903 was 4,750 tons as compared with Ontario's 6,348 tons. The greater part, however, of the Canadian output was in the hands of American capitalists and most of the metal continued to be refined and treated in New Jersey. Writing of the industry early in 1906 Mr. F. G. Carpenter, the United States correspondent, said: "The nickel of this Lake Superior region lies in the earth somewhat like iron ore. It looks like iron, or rather like brass stuff you sometimes find in coal. It is a combination of nickel, copper, sulphur and iron and it is found in mighty beds or pockets going down no one knows how deep. There are nickel mines at Copper Cliff, about four miles from here which are now 1,200 feet deep, and the ore is still rich and plentiful. The Creighton Mine is apparently inexhaustible. The vast pit from which the ore has been quarried during the past two or three years is about 300 feet wide and 500 feet long." Some attention was being given durng the year in the Sudbury district to concentration of ores by the oil process. Progress in the nickel industry during 1906 was aided by the starting of the Canadian Copper Company's smelting plant and the re-opening of the Montreal Nickel Company's mines and smelter at Victoria Mines.

In the calendar year 1905 the official figures showed an increase in production of over $6,000,000 from that of 1904. Silver had leaped up from a few thousands in 1903 to over a

million and a quarter dollars and nickel had more than doubled in production. The details of the year were as follows:

Metallic Production.	
Gold	$ 99,885
Silver	1,372,877
Cobalt	100,000
Nickel	3,354,934
Copper	688,993
Iron ore	227,909
Pig iron	3,909,527
Steel	3,321,884
Miscellaneous	37,116
	$13,113,125
Less value Ontario iron ore smelted into pig iron and Ontario pig iron converted into steel	2,912,115
Net metallic production	$10,201,010

Non-Metallic Production.	
Brick, common	$ 1,937,500
Tile, drain	220,000
Brick, pressed	234,000
Building and crushed stone	700,000
Calcium carbide	156,755
Cement, Portland	1,783,451
Corundum	152,464
Lime	424,700
Natural gas	316,476
Petroleum	898,545
Salt	356,783
Sewer pipe	225,835
Miscellaneous	246,777
Total non-metallic production	$ 7,653,286
Add net metallic production	10,201,010
Total production	$17,854,296

The Rise and Progress of Mining around Cobalt

The mineral riches of the Northern region of Ontario, which includes the Sudbury, Thunder Bay, and Temiskaming Districts, had the most striking exhibition in 1906 at and around the new Town of Cobalt. This mining camp was situated in the midst of a lake and forest wilderness—near Lake Temiskaming, four miles from Haileybury, 338 miles from Toronto, and 103 miles from North Bay, where the Grand Trunk, the Canadian Pacific and the Temiskaming and Northern Ontario Railways meet. It was the projection of the last-mentioned line through "New" Ontario by the Provincial Government which led to the discovery of the Cobalt-Nickel Arsenides deposits which have since made the region so suddenly famous for its wealth of silver. La Rose, one of the T. & N. O. construction gang, is said to have stumbled, in 1903, upon the first really valuable nugget of silver. Other pioneers in discovery and good fortune were McKinley and Darragh of the now famous mine of that name; W. G. Tretheway and the three University students—Glendinning, Blair, and Kerr; the Wright brothers and Clement Foster. Government surveys quickly followed; Mr. W. G. Miller, the Provincial Geologist, testified as to the richness of the ore; Mr. E. P. Earle, of New York, purchased the Nipissing mines for his Company. Other discoveries were made and development commenced while the little village of 1905 took to itself a name and became a town with a fluctuating population of from 3,000 to 8,000 people. The Temiskaming Railway was rapidly constructed into the place.

The press teemed with stories of streets paved with almost solid silver and with statements like that of Major Morrison of the Ottawa *Citizen* to the effect that there were $150,000,000 worth of ore in sight. Visiting journalists such as Frank G. Carpenter, Cy Warman and Wm. Starr Bullock described it as the

richest camp on earth; while Mr. W. G. Miller on April 17th, 1906, told *The Globe* that " the finds which have been made in that portion of the Temiskaming mining division which has taken the name of ' Cobalt District ' are of an extent and wealth seldom before known in the history of lode mining." It was, he considered, a great camp starting out under most favourable auspices. In his official Report to the Government, made public early in 1906, Mr. Miller analysed elaborately the geological and technical conditions of the region concerned. Only his general summarized view can be quoted here:

> What is known as the Archæan protaxis, or that rugged, rocky region which stretches away from the St. Lawrence River, expanding to the north-westward, and occupying a large part of Northern Ontario, has produced, and is constantly producing, a group of what may be called unique, or at least comparatively rare, economic minerals. Probably, as great a variety of minerals is produced here in proportion to the number of inhabitants as is derived from any other country. Among these economic deposits are :
>
> 1. The nickel mines of Sudbury, which is one of the two important nickel-producing localities of the world, with the bye-products—platinum and palladium.
>
> 2. The corundum deposits of North Hastings, South Renfrew and other areas in Eastern Ontario, which now supply by far the greater part of the corundum consumed in the world.
>
> 3. The unsurpassed feldspar and mica deposits of Frontenac and adjoining counties, and the apatite, graphite, pyrite, talc, gold, copper, zinc, lead, fluorite and baryte of the same district.
>
> 4. The iron ranges which extend over a great territory in northern and north-western Ontario, but which, up to the present, have not been developed to a great extent.
>
> 5. In addition to these it may be said that a few years ago North Hastings possessed the only arsenic plant in North America. More recently the auriferous-arsenic ores of Temagami were made known, and lastly a discovery has been made of the series of Cobalt-Nickel Arsenides and Silver, which are unique, so far as known on this continent, and are paralleled by deposits only in Saxony and adjacent regions of continental Europe. The eastern part of this region is also noted for certain minerals which can scarcely be said to be of economic value, but are of great scientific interest. The largest and finest crystals of the mineral zircon in the museums of the world come from eastern Ontario, as do also sphenes, pyroxenes, scapolites and other crystals. Sodalite, marble and other decorative materials are also found here.

It may be said that, apart from the silver, Cobalt is decidedly valuable. It is used for colouring glass, enamelling and pottery work; is a sister metal to nickel and is claimed to be better than that mineral for hardening steel. It has sold at 65 cents a pound and the sources of the world's present supply are Germany, Austria, France, Norway, New Caledonia and the United States though in none of these countries has such actual richness of ore been found. Mexico and Chili have produced a little. According to official figures certain silver-bearing veins of Cobalt produced 11·41 per-cent. of silver, 11·27 per-cent. of cobalt, 3·78 per-cent. of nickel and 44·16 per-cent. of arsenic. From a vein not producing silver the analysis showed 61·74 per-cent. of arsenic, 7 per-

cent. of nickel and 15·60 per-cent. of cobalt. Unfortunately, pending the building of smelters in the Province, most of the subordinate minerals have not yet been utilized. Besides these minerals there are many others found in the veins now being worked and including copper, lead, antimony, bismuth, iron, manganese, zinc, and a little gold. In his annual Report, published early in 1906, Dr. Robert Bell, Acting-Director of the Geological Survey, declared these somewhat uncommon combinations found at Cobalt to be a hopeful sign of richness. His treatment of one of the most vital questions in this connection—the depth of the deposit—was as follows:

> The direct evidence afforded by the main vein of the La Rose mine carries us down only 205 feet from the collar of the shaft, but the silver-bearing character of the other two veins, which cut the 80 feet of agglomerate, etc., above the level of the collar, may be considered in this connection, which would give us a depth of nearly 300 feet. The ore and rock brought up from the lowest workings of this mine show that the vein has undergone no material change so far, being about equally rich and varied in its contents all the way down ; but, as above mentioned, there is in the lowest workings an increase in the proportion of argentite, and the vein and its walls have a firmer and fresher character. Good-sized flattened nuggets continue to be found among the native silver. At the 800 feet level the line of fracture is marked by two parallel calcite veins of 5 and 7 inches, respectively, separated by an interval of slaty tufa, rich in native silver, which also extends, at thin places, into the wall rock on either side, as far as four feet in some parts. It may be reasonably supposed that the farther a vein can be traced on the surface, the deeper it is likely to go. Although nearly all the individual veins are small, they may be regarded as only one manifestation of a mineralized plane, or zone, or fissure, or disturbance.

A little later the new Director of the Geological Survey wrote as follows: " Of course, on so short a visit, it would be presumptuous to offer an opinion upon the origin and probable extent of the ore bodies, but enough was seen to pronounce upon the phenomenal richness of the numerous veins, and to make a rough estimate of millions of dollars in silver shown on the surface and in the shallow workings of the claims. The question of the depth to which the silver will be found is an important one, but it is one upon which no opinion can or should be given with the data at present available. Granting only a very moderate depth, there is ore in sight sufficient to produce millions, and only a portion of the veins has as yet been uncovered."

Writing on July 13th to the *Monetary Times,* Professor Wm. Earl Hidden, F.G.S., made the following eulogistic reference to the new Camp: " After my several visits I am yet astonished at what is to be seen around Cobalt in the line of enormously rich veins of silver and unprecedented quantities of rich ores or cobalt itself. It is hard to comprehend now any good reason for my former disbelief, and to me it seems that Cobaltonians are themselves not fully appreciative of the enormous potentialities in the line of future sources of wealth from the rocks that surround

them on all sides and which seem to be saturated with uncommonly rich ores of silver, cobalt, and nickel." In the issue of the same journal on Sept. 21st, Dr. Van Hise, of the United States Geological Survey, declared that he saw "no reason why the great veins of the Cobalt district should not have as great a prospective depth as veins of similar width in the Western part of America." Still more enthusiastic was the editorial statement of a Toronto daily paper on Oct. 9th as follows:

> The *World* undertakes to say that the Cobalt silver proposition is one of the greatest marvels of the day. We believe that untold millions in silver will be taken out of the camp in a very short period of years and we have no hesitation in saying that up to the present we have only approached the fringe of discovery. Not only is the amount of silver enormously large, but it is so disposed that anybody of ordinary intellect can soon appreciate the leading facts in connection with it. It requires no mineral expert to see what is there. Substantially the proposition is this: That the Cobalt country is entirely of rock with a slight covering of soil upon it; that this rock is streaked all over with veins and fissures, which vary from half an inch, or a trace, up to two feet in width; and that a great many of these veins or fissures are filled with mineral substance, carrying enormous values in silver and other metals, but chiefly silver. Also that these veins, so far as investigated, run down to great depths, and, so far as investigated, tend to widen and tend to hold, or rather increase, their values in silver as they go down.

Besides the geologists and journalists mentioned there were many prominent visitors to this mining centre during the year. One of them was Mr. John Hays Hammond, of mining fame in several countries. To a *Mail and Empire* correspondent on Oct. 29th he stated his belief as to the deep-seated origin of the veins and his expectation that they would maintain present values for several hundred feet. Mr. R. J. Barrett, Editor of *The Financier,* London, wrote a series of elaborate letters to that English journal. In its issue of Oct. 31st, he declared Cobalt to be "the richest silver camp in the world and alone worth a journey to Canada to see." His further statement is worth quotation: "I have said that I am no mining expert; but no special knowledge was required to show that there were millions of tons of highly mineralized ore exposed to view, and that, so far, only a small percentage of the proved area was in any advanced stage of development. One expects optimism in a mining camp, one is prepared for exaggeration, and one is not surprised if downright mendacity is met with very frequently. But at Cobalt it seems almost impossible to exaggerate; the riches were so palpably there; any urchin in the street could unerringly take the stranger to half-a-dozen mines and point to wonders which fairly beggar description. Investigation showed that the richness of the rock is not a surface indication only." On Nov. 3rd Mr. Barrett dealt with the need of a smelter, the still open question of ore depths and the value or reverse of mining shares. In this connection he gave the following particulars of shipping mines:

Company.	Shares Out.	Acreage.	Capital per Acre.	No. Veins.
Nipissing	1,200,000	846	$ 7,000	55
La Rose	480,000	40	12,000	7
Tretheway, Silver Cobalt	200,000	40	25,000	6
Coniagas	300,000	40	7,500	2
McKinley, Darragh Co	2,500,000	82	30,500	4
Buffalo Mines Co	1,000,000	40	25,000	3
Cobalt Silver Queen	1,500,000	58	25,850	2
O'Brien Mining Co. (in liquidation)	Close corp.	154	. ..	..
University Mines	10,000	56	17,850	4
Kerr Lake Mining Co	30,000	52	57,700	6
Drummond Mining Co	Close corp.	80	....	3
White Silver Co	1,000	145	620	3
Foster Cobalt Co	1,000,000	40	25,000	5
Star Silver Cobalt	2,000,000	40	50,000	2

There were very few dissenting voices during the year in the public chorus as to the resources of Cobalt. There was one, however, in the person of Mr. R. G. Leckie, a mine owner of Sudbury, who told the Montreal *Herald* on April 21st that the wild rush to this new region was mere folly; that he had visited the place many times and that, with the exception of La Rose, you could hardly call the cuttings mines; that there was no proof of the veins of silver and nickel running deeper than 100 feet; that the fabulous wealth of the region would turn out a myth. Of the black flies and mosquitoes in the summer season which proved most unpleasant; and the piled-up snow and ice and cold in the winter, which was not favourable, upon the surface, to mining development; more was heard. The actual production, however, was not discouraging. By the end of 1906 there were 35 Companies in the field which had found veins of ore and nearly 200 other Companies, chiefly with Ontario charters, for the conduct of operations. They were capitalized at about $250,000,000. Professor W. A. Park, of Toronto University, who had made a study of the Camp, stated on Nov. 15, 1906, that a production of $20,000,000 a year for ten years was a generous estimate of capabilities. The official figures of shipments from the mines up to June 30th, 1905, showed ores averaging $767 a ton and including $689,045 for silver, $100,520 for cobalt, $12,454 for nickel and $3,496 for arsenic. Cobalt stories of production during the years 1904-5-6 were varied, however, and not always accurate, while the official figures only dealt with shipments. Messrs. Wills & Company, Brokers, in the *Monetary Times* of Toronto estimated one year's production of ten mines at $4,300,000. The Report of the Nipissing Mines Company in December, 1906, stated that during its two years' operation that mine had produced $2,500,000 worth of ore from a total expenditure of $225,000.

According to Dr. Haanel, Dominion Superintendent of Mines, the 2,144 tons of ore shipped in 1905 had a percentage composition as follows: Silver 3·90, cobalt 5·50, nickel 3·49,

arsenic 25·60. A percentage of silver of 3·90 represented 1,138·72 ounces per ton or, at 64 cents an ounce, the present price of silver, a value of $728.78 a ton throughout the year. The average value of the total metallic contents, per ton of ore shipped throughout the year, at the prices received, was $684.94. The total value of the shipments for 1904 was $136,217 and for 1905 $1,473,196. In 1906 production rapidly increased and in October the total was 2,241,530 pounds, worth about $1,000,000 for the single month, with some fifteen shipping mines. For November the shipments were 44 carloads of 1,449,550 pounds of ore. During the nine months of 1906 ending Sept. 30th, the shipments included 2,542,827 ounces of silver worth $1,609,554; 138 tons of cobalt in ore worth $110,400; 69 tons of nickel worth $16,560; 691 tons of arsenic worth $13,830. Meanwhile, there had been announced during the year various fresh discoveries of ore, more or less valuable, in the vicinity of Cobalt. Amongst these was one of rich smaltite in the Gillies Limit; one of native silver at Clear Lake two miles from the town; a new vein upon the Nipissing property said to be five feet wide with a wonderful out-cropping of native silver; an alleged vein of calcite and native silver in Lorraine Township, four miles east of Cobalt; a vein of high grade ore in the Tretheway property.

Great popular and financial interest was shown in Cobalt during the year. "Boom" conditions prevailed at times and a number of wild-cat stock propositions were put on the market; population ebbed and flowed; Canadians speculated in the stocks and won or lost as the case might be; Americans invested largely in actual mining operations and drew some handsome dividends. New York dabbled in its possibilities and Wall Street played with its stocks. Gradually Canadian money was put more and more into the mines as working properties and by the end of 1906 Cobalt was an established and important, if not a great, mining camp. Interesting incidents were many. Men grew rich in a day; those who were ruined or remained poor were not heard of. A lot in the principal street of Cobalt was bought on one day for $4,000 and sold the next for $5,000. A North Bay man was said to have secured $15,000 worth of silver, found upon his premises and confiscated, by picking up nuggets lying upon the surface of different mines. A mining cook of the preceding year, named Godfrey, struck it rich and in a few weeks was shipping a carload valued at $10,000. Land values, generally, went up as well as rents and stock values and prices. In this latter development the neighbouring towns of Haileybury and New Liskeard shared to some extent. A prominent feature of events was the frequent coming of United States capitalists to look into the reputed richness of the region. On June 9th an unusually large party of visitors from New York and Boston, as well as from Montreal and Toronto, were in the town. Another New York party was there at the end of November while individual Americans were coming and going all the time.

Toward the close of the year rumours prevailed as to the purchase of the Nipissing Mine by the Guggenheims of New York who had already invested so largely in British Columbia and Yukon mining properties. It afterwards appeared that on Oct. 30th they did take an option for the purchase of 400,000 shares in the Nipissing Company at $25.00 a share and on Nov. 1st paid $2,500,000 on account; receiving in return 40,000 shares of the stock and leaving in the hands of the vendors 60,000 shares to be forfeited in the event of future payments not being met. On Dec. 1st Messrs. Guggenheim announced that they had decided not to exercise their option in the matter and to forfeit the 60,000 shares in stock—losing, apparently, a sum estimated at from $1,500,000 to $2,000,000. A good deal of financial excitement followed this action, especially upon the "curb market" in New York where a severe decline in Nipissing ensued and much stock changed hands—Canadians, it was said, buying a considerable quantity. The only reason given in the matter was that a question had been raised as to titles and that the vendors would not grant a month's time for investigation.

An event of the Spring had been the Legislative excursion over the Temiskaming and Northern Railway—owned and operated by the Provincial Government—to and beyond Cobalt. Many members of the Legislature joined in the trip which included New Liskeard and extended to North Bay. At the Timmins Mine in Cobalt the visitors were able to walk upon an exposed vein of almost solid silver. An important matter of development at this time was the organizing of a Company from amongst the mine-owners of Cobalt—exclusive of the Nipissing people whose smelting interests were in New Jersey—to build and operate a smelter at Hamilton. The refinery was opened during the summer for experimental purposes. Rumours were also prevalent during the year as to the projected construction of a $450,000 German-Canadian smelter upon the line of the T. & N. O. Railway. In October Mr. W. G. Tretheway sold out his interests in Cobalt and withdrew from the Presidency of his various mines. In December it was announced that the Clark-Standard properties had been sold to an English syndicate and the McKinley-Darragh Mines to a New York syndicate. Prior to this, in March, a representative of Mr. T. A. Edison had visited Cobalt and stated that the great inventor was willing to pay 35 cents per pound for all the cobalt ore that could be supplied him for use in connection with a new storage battery. Later, Mr. Edison was in Montreal and told the press (August 17th) that he could not afford to purchase the mineral at Cobalt because of the high prices asked.

Apart from the Nipissing affair and the Guggenheim sensation there was a great deal of stock speculation caused by Cobalt developments and possibilities. Toronto was, as usual, the centre of considerable excitement and, no doubt, of heavy losses as well as gains. Money also poured in from all over Canada and many

parts of the United States. Companies were formed and money obtained with ease; and spent in some cases without real prospects of return and with little chance of profit to the investors. Speaking in Toronto on Nov. 29, Lord Grey, Governor-General of Canada, gave the public in this connection a judicious and timely warning:

> I understand no one is yet in a position to say definitely how far the area and depth of these rich silver deposits extend. My experience elsewhere of mining booms leads me to believe that this uncertainty will give an opportunity to unscrupulous company promoters to take advantage of the excitement which these rich discoveries invariably engender in the human heart. I would earnestly warn the people of Canada, New York and London, that before they spend their spare cash on the purchase of mining stocks they should carefully discriminate between mere prospects and proved mines, and take care that in their anxiety to become part owners of a silver mine they do not find themselves the owners of nothing more profitable than surface rocks and trees.

The Provincial Government's policy toward this sudden mining development was an interesting matter. It reserved during the year what was called the Gillies Limit—adjoining the Town of Cobalt—for Government sale or operation as might be decided upon. It did everything that was apparently possible for the securing of titles, etc., in the Cobalt region although there was inevitably some friction and some litigation. The Government policy in this respect was outlined by the Hon. J. J. Foy, Attorney-General, in a *Mail and Empire* interview on Jan. 8th. "The Government's desire is to encourage prospectors and miners and to have them develop the country. No wholesale litigation such as has been mentioned in part of the press is intended. But a few flagrant cases have been drawn to the attention of the Government, where leases have been obtained of mining locations on misrepresentation of facts to the Government. Three writs were issued some months ago by the Attorney-General against the Earle Company and two against M. J. O'Brien and his associates, and one on Saturday against the Temiskaming and Hudson's Bay Mining Company and Henry Thompson. One other is intended to be issued shortly and perhaps others may follow if, on investigation, it is found by the Government that there is sufficient ground for the action." The case mentioned last was against the Hargreaves Mining Company and when it came up for trial in June the Government was sustained in claiming that the lease was made before discovery. An appeal was made but dismissed. Judgment in the O'Brien case involving property valued at $10,000,000 was given on Nov. 15th. The Crown had abandoned part of its contention and agreed to give a clear title to the owners of the mine. In return the Province was to receive 25 per cent. of the value of all ores mined—after certain specific deductions were made. It was estimated that this would mean $2,500,000 to the Province.

The good order and respect for law prevalent in the camp

was unique. Mining men of experience all over the continent declared that they had never seen anything like it. Government recording offices, inspectors, official returns of shipment, etc., were also established or arranged during the year. On Nov. 23rd it was announced that the Government had decided to sell the beds of Cobalt and Kerr Lakes which were supposed to be well within the region of rich veins. Tenders were promptly called for and, as promptly, Mr. H. Dreany, Stock Broker, laid an unsuccessful claim to the bed of Cobalt Lake on the ground of exploration, discovery and application. Syndicates were at once formed in Ottawa, Toronto and Montreal looking to the purchase of these properties and, on Dec. 22nd, it was stated that a Company formed of subscribers in all three cities and headed by Sir Henry Pellatt, of Toronto, had been awarded the Cobalt Lake property for the sum of $1,085,000. The tenders for Kerr Lake were disappointing and it was withdrawn from sale. On Dec. 27th the Cobalt Lake Mining Company, Limited, was organized with Sir H. M. Pellatt as President and with a capital of 5,000,000 shares at $1.00 each.

Mineral Wealth of Western Canada

Eliminating British Columbia for the moment there was a good deal of interest taken in Western evidences of mineral resources during the year. At Dauphin, in Manitoba, amber was found near Cedar Lake and a syndicate formed to work the deposit. In Keewatin, on the shores of Hudson's Bay, Indian finds of mineral were numerously reported. Near Macleod, and not far from the United States boundary, a rich underground oil lake was reported to have been discovered. Gold was reported in places throughout Northern Saskatchewan. Petroleum was discovered at Neepawa in Manitoba. Speaking to the Ottawa *Free Press* on May 26th the Hon. W. H. Cushing, Minister of Public Works in Alberta, declared that his Province had abundance of oil, coal and iron in the south and asphalt in the north. The oil-fields of the south received special attention and considerable development. Four Alberta Companies were formed into the Western Oil and Coal Consolidated Company which started operations with the ownership of large properties in oil and coal lands. Natural gas was stated to have been discovered at Edmonton; Medicine Hat obtained its natural gas supplies at five cents per 1,000 cubic feet; a Company was formed at Calgary to search for and supply the city with gas at from 15 to 25 cents. In the extreme south-western section of the Province, some 45 miles from Pincher Creek, new oil fields were discovered, or at least the knowledge of them became public in 1905, and in the following year development commenced together with the creation of a town called Oil City. Some 300 miles north of Edmonton and along the Athabasca River the existence of immense oil fields—crude oil and natural gas—became known.

In these vast north lands of Saskatchewan all kinds of mineral

wealth were reported. For a hundred miles the Athabasca River was stated by Mr. James McBeth of Colliston (Winnipeg *Free Press,* Sept. 20) to run through asphalt. Fourteen miles below Fort McMurray he saw indications of petroleum and at Fort McKay some local coal deposits being used. At the Pelican Rapids he found a gas well which had been used for eight years and at various other points he proved the statements as to existence of oil and natural gas. Seventeen miles from Fort Smith he found salt mined. The Peace River region was explored during the year to a considerable extent and, in view of alleged discoveries of gold, much discussed. Mr. E. Stewart, Dominion Superintendent of Forestry, in a roundabout journey of 5,000 miles, north and west of Edmonton to Vancouver, found not only a rich soil in the Peace River country but imbibed the belief that it would "always prove very valuable from its mineral-bearing deposits—including gold, coal and copper." On July 11th the Victoria *Times* announced the discovery of gold on the Peace River near Fort St. John, Alberta. Later reports appeared to confirm the statements and to locate the mineral about 17 miles from the British Columbia boundary line—assays running from $7.50 to $32.00 per ton. The depth of the strata in which gold was found was alleged to range from 50 to 200 feet.

On Sept. 5th a Dominion Government survey party brought samples to Edmonton which were said to assay as above stated. Opinions differed as to the value of the discoveries. Mr. W. F. Robertson, Provincial Mineralogist of British Columbia, told the Victoria *Times* of Oct. 9th that the resources in this respect were greatly exaggerated—and he had just returned from a prolonged trip through the Peace River country. Mr. J. A. Macdonell, C.E., told *The Globe* on Oct. 2nd that he had seen the strata beds along the Peace River containing paying quantities of gold and had brought samples with him. Others which he had assayed contained a gold residuum yielding from $7.50 to $37.00 a ton. Placer gold discoveries were reported from the vicinity of Bierling in Northern Saskatchewan and successful dredging operations were carried on in the Saskatchewan River near Prince Albert.

In the region around the Hudson's Bay many mineral discoveries were reported. Mr. William Beech, prospector, brought to Winnipeg samples of copper, mica, plumbago and iron. He declared copper to abound in the vicinity of Chesterfield Inlet; plumbago deposits to exist in very valuable quantities around Fort Churchill; mica and iron-ore to be also common at the latter point. The gypsum bed discovered on Moose River many years before by Dr. Robert Bell was now declared to be of great value. According to the Winnipeg *Free Press* of Feb. 3rd Mr. A. P. Low of the Geological Survey reported the finding of iron on the eastern shore of Ungava Bay and the operation of a mica mine on the south shore of Baffin Island. Lignite was found on the east

coast of this Island and a geological condition stated to prevail which made the existence of extensive placer deposits a possibility under certain specified conditions. From the Mackenzie River Basin the Hon. Mr. Davis stated, in the Senate on May 15th, he had himself seen splendid samples of hard white mica as well as of copper and coal.

The coal resources of these Western Provinces are enormous and during the year development proceeded at the mines of Bankhead, Alberta, under the operation of the Pacific Coal Company; at Blairmore, in the same Province, under control of the Western Canadian Collieries Company; at Lethbridge under the present management of the Alberta Railway and Coal Company. Throughout the great coal area of the West the mineral is encountered in many forms and many grades ranging from poor lignite up to high grade anthracite. The Winnipeg *Free Press* of Jan. 21st gave some interesting illustrations of the unique distribution of this coal supply. For instance, in the construction of a railway line out of Edmonton, a line but four miles in length, the fuel for the steam shovels and construction engines was said to have been mined from the cuttings along the route. A seam of good steam coal was struck and supplied all needs. Again, though complete tests had not been made, it was declared to be practically certain that a coal seam underlay the whole of the town of Edmonton as well as a large portion of the surrounding country. At Estevan, along the valley of the Souris River, coal could be mined from the open cliffs, the farmers of the vicinity making it a common practice to gather their own fuel supply.

At the Bankhead mines the product was called Banff hard coal and was not unlike Pennsylvania anthracite. The capacity of the plant was 2,000 tons daily. At Blairmore the Company owned 27 square miles of land and had a daily output of about 1,000 tons. The product was a bituminous coking coal of good quality. The Lethbridge mines produced a coal known throughout the West as "Galt Coal." It was the pioneer coal of the North-West, of a bituminous character and excellent for domestic and steam fuel purposes. The output was about 1,200 tons a day. Lignite coal in 1906 was being mined at various points in the valley of the Souris, at Estevan and latterly at Taylorton. In describing this lignite coal Mr. D. B. Dowling, of the Geological Survey, said that "its physical condition renders it difficult to transport without loss from both slacking and crushing. Its chemical composition shows not only a high percentage of water but also of volatile combustible matter. The water is readily lost to a large extent by the exposure to the air so that it is generally shipped in closed box cars and care is taken in storing it in a closed shed. The loss of the moisture causes it to crack and the poorer part is reduced to powder. In the mining the friable nature of this coal causes also a large loss by waste in the process so that instead of a cubic content of 25 feet making a ton it is more gen-

erally found that at least 30 feet are necessary and in parts of a seam a higher percentage of loss ensues." In October the organization of the Canadian Western Coal and Coke Company took place with F. E. Kenaston of Minneapolis and O. A. Robertson of St. Paul as the chief promoters. They proposed to develop some hundred square miles of coal lands in Southern Alberta. In this connection it may be added that Mr. Dowling reported considerable discoveries (Ottawa *Citizen,* Oct. 13) of a coal which graded between the bituminous product of Fernie and the anthracite coal of Canmore. His description of location, etc., was as follows:

> The coal basins of the Rocky Mountains are as a rule not in continuous strips, but depend on the foldings of the mountains and these occasionally are interrupted. The Cascade basin has been traced to within 14 miles of the Saskatchewan. Between the Red Deer River and the Clearwater a section of the measures give 24 seams, of which 15 are over 4½ feet in thickness and the workable coal amounts to 95 feet. Between the Saskatchewan and the Brazeau Rivers an outer range brings up the coal measures again, and on the south side of the Saskatchewan is what may be called the foothills. These coal measures reach the surface and are exposed in a small ravine rising to the river opposite the limestone range. In this locality three seams were discovered in what is evidently the top of the formations and one seam is of workable thickness, the upper two being about two feet only. The larger seam has five feet of good clean coal overlaid by shale about five feet thick above which is three feet of good coal.

It may be added that a large zinc smelter was erected during the year at Frank, Alta., through the enterprise of some French capitalists; that in the matter of coal mining this Province made great strides and instead of 2 mines producing 100,000 tons a year had in 1906 6 collieries which each produced more than that amount and several others equipped to produce it and with an output promising an early attainment of that result. Between Alberta and British Columbia there were also over 1,000 coke ovens in operation during 1906.

Mining in British Columbia during 1906

In 1905 the gross value of British Columbia's mineral production had been the largest on record—$22,461,325 as compared with $18,977,359 in 1904 and $4,225,717 in 1894. The progress of the Province in this respect can best be seen in the fact that production in the five year periods from 1891 to 1905 was as follows:

1891-5.	1896-1900.	1901-5.
$19,956,804	$57,607,967	$96,507,968

In 1905 (calendar year) the product had included placer gold to the value of $969,300; lode gold $4,933,102; silver $1,971,818; lead $2,399,022; copper $5,876,222; coal $4,152,936; coke $1,358,925. There had been a substantial increase in everything except placer gold. This development had taken place, however, only in certain districts—South-east Kootenay, the Boundary,

and the Nelson and Yale Mining Divisions. In the first-mentioned District the tonnage of ore mined had increased 121 per cent. over 1904 and the value of the product 135 per cent.; while in the Boundary the increase had been 20 per cent. and 53 per cent. respectively. The Slocan showed a heavy decrease and the Rossland camp held its own.

For 1906 the complete official figures are not available at the time of writing but on Dec. 22nd Mr. W. F. Robertson, Provincial Mineralogist, informed the Victoria *Colonist* that the output for the year would be worth at least $2,500,000 more than that of 1905 owing to higher prices. The actual production might not be greater on account of the Fernie coal mines' strike but the most of the properties were operating to their fullest capacity; many which had been deemed unprofitable were being taken up and exploited; capital was being invested in larger amounts than ever before and outsiders were becoming more and more interested. In the Telqua District he had seen immense deposits of coal and rich coal areas also existed to the north of Hazelton. On Dec. 31st the Nelson *Daily News* published its annual record of production. According to its figures the output of the Province for 1906 was as follows: placer gold $900,000; lode-gold $5,167,500; silver $1,902,375; lead $3,060,000; copper $8,550,000; or a total metalliferous product of $19,579,875 as compared with $16,149,464 in 1905. The coal production was placed at $3,300,000 and the coke at $1,250,000—a decrease of about a million dollars. An important point in the general development of the year was mentioned by the Hon. R. G. Tatlow, Finance Minister, in an interview on July 23rd when he stated that there were eleven smelters and one refinery in active operation with a combined capacity of 7,500 tons a day. Very little ore, he added, now went out of the Province for treatment. A final estimate by the Provincial Mineralogist gave some further details of 1906 production:

Placer Gold	$ 920,000	Lead	$2,690,000
Lode-Gold	5,150,000	Coal	4,590,000
Silver	2,200,000	Coke	1,050,000
Copper	8,690,000	Miscellaneous	1,100,000

Total, $26,390,000. Increase, $3,930,000.

Amongst the districts coming in for special attention during the year was the Telqua Valley. Away to the north, in a country tributary to the Bulkley River and especially toward the junction of that river and the Telqua, were said to be immense coal fields. According to a special correspondent of the Vancouver *Province* (March 23rd) more than 100 square miles had already been surveyed and staked out while the coal out-cropped in seams of from two to twenty feet in thickness along the steep sides of creeks and canyons. Copper was said to be present in large quantities. Valuable silver-lead propositions and vast deposits of mineral pitch, fit for asphalt, were also described in interviews given the

Victoria *Colonist* on March 8th. Into this region came Mr. F. A. Heinze and other United States capitalists from Butte, Montana; Mr. James Dunsmuir and other Canadian capitalists from Victoria; and the Grand Trunk Pacific promoters from the east; and much active development work was promised. A preliminary official Report as to conditions was published in December by Mr. W. W. Leach, of the Geological Survey. He described the total thickness of the coal formation as being about 300 feet and some of the coal as being an excellent semi-anthracite. The following is a quotation from his summarized opinion:

With regard to this field as a whole it may be said that wherever coal formation has been exposed faults were seen, not, as a rule, of any great size, but in such numbers as to be a matter of serious importance to future mining operations. The coal has also been cut by numerous dikes and nearly everywhere is somewhat severely flexed. These facts taken in connection with the uncertain extent of the second areas, seems to render it imperative that systematic and careful prospecting should be undertaken, well in advance of regular mining. Some method of boring could possibly be utilized to determine the position and the nature of the strata underlying the great gravel deposits of the terraces; until something of this sort is done it will be impossible to define the limits of the several coal areas.

The zinc resources of the Province were brought to the front by a Report from the Dominion Commission appointed in 1905 to investigate conditions in this respect. It was composed of Mr. W. R. Ingalls, Editor of the New York *Mining Journal,* with Mr. Phillip Argall, M.E., of Denver, Col., and Mr. A. C. Gardé of Nelson, B.C., as assistants; and Dr. A. R. Barlow of the Geological Survey engaged in investigating the undeveloped zinc ore deposits in the Province with Mr. H. E. Wood of Denver, Col., helping with the metallurgical examinations. The Commission was intended to cover the following points: (1) The examination of the present development of mines to determine approximately the tonnage of zinc ore immediately available; its occurrence and character and future prospects, together with the cost of mining; (2) examination of the present methods of milling; (3) investigation of the adaptability of the ores to new methods of concentration (magnetic, electrostatic, etc.); (4) the study of conditions affecting the marketing of the concentrate, including the question of smelting in the Province or elsewhere in Canada; (5) investigation of the possibility of the special utilization of the zinc ore if of high silver content.

It was found, and so reported, that zinc in large commercial quantities could be produced in British Columbia; that the tonnage immediately available in the Ainsworth and Slocan Districts was, approximately, four times the total consumption of the Dominion or 30,000 tons—equal to 12,000 tons of spelter. The market in the United States was described as closed by high tariff rates and that of Australia by present smelting arrangements. Methods of mining and milling were elaborately treated

and the cost of the former placed at $2.50 per ton. The general conclusion was come to that a stable zinc industry could be established with a tentative market in Canada and a certain one in Europe. Smelting conditions were described as better in British Columbia and Alberta than in the United States although the latter country had somewhat cheaper labour.

Marked development occurred in the Boundary District during 1906. Mr. A. B. W. Hodges of the Granby Consolidated Mining and Smelting Company told the Vancouver *Province* of Feb. 21st that remarkable strides were being made. "On the basis of shipments for the last few months the output this year will be over one million tons. The Granby Company alone is producing copper at the rate of about 27,000,000 pounds per annum, or considerably over two million pounds of copper per month. This does not take into account the gold and silver values also contained in the ore. The Granby is fortunate in having nearly completed the enlargement of its reduction plant prior to the rise in the price of brown metal. It recently paid a dividend of $525,000 and, if present quotations are maintained, our earnings will show no diminution during the remainder of the year."

The British Columbia Copper Company at Greenwood was, Mr. Hodges added, enlarging its capacity very materially while the Dominion Copper Company had been re-organized and, with various valuable properties near Phoenix, was erecting a new reduction plant. In both these latter concerns electricity was being substituted for steam as a motive power. At the close of the year it was stated that Grand Forks had become the centre of a considerable additional development—newly worked claims, new shipping mines, increased capital and enlarged operations. The statement of the Granby Company for the year ending June 30th, 1906, showed, it may be added, a production of 19,939,004 pounds of copper, 316,947 ounces of silver and 50,020 ounces of gold, realizing a total of $4,751,658.

Texada Island, about 40 miles from Vancouver and some 37 miles long by 7 miles broad, came in for some development and discussion. The largest deposit of clear iron ore ever found on the Pacific coast is said to exist in its southern portion and limited quantities had already been extracted. The deposit extended in masses from the shore to a point two miles inland attaining an elevation of 800 feet above sea level. In places it appeared to measure half a mile in width. Recently copper in large quantities has been discovered upon the Island. Three large mines were being developed during the year with the Marble Bay property leading in the richness of its product and earning for a close corporation dividends reputed to total $250,000 per annum. In the Cariboo District—upon the mainland and famous for its old-time placer mining—considerable development work of an hydraulic character proceeded at Bullion, not far from Ashcroft, and the headquarters of the Cariboo Consolidated Company. The Hall Mining

THE HON. RODOLPHE LEMIEUX, K.C., M.P.

Solicitor-General of Canada.

Appointed Postmaster-General and Privy Councillor of Canada, 1906.

THE HON. WILLIAM TEMPLEMAN.

Senator of Canada and Dominion Minister without Portfolio.

Appointed Minister of Inland Revenue, 1906.

and Smelting Company at Nelson had installed by June two new furnaces with a joint capacity of 200 tons of lead-ore daily. At the Trail Smelting Works a copper sampling mill was constructed, an ore crushing system established, a new copper blast furnace constructed, and various other improvements effected. Mr. E. Jacobs, Editor of the British Columbia *Mining Record*, made a tour of the Interior during the summer and discussed conditions with many mine and smelter officials.* He reported that:

Among them was a general agreement that the outlook for the future of mining in the Boundary and Kootenay Districts is decidedly promising. One convincing fact stood out prominently, viz., that mining, smelting, railway and power companies are spending large sums of money in construction and development work and, since the respective managements of these companies are well-informed as to the position and prospects of the mining industry, it is manifest that they have abundant confidence in its permanence and in the practicability of profitably utilizing the enormous mineral resources of the districts described.

In the Atlin District great prosperity existed during the year and the total output was estimated at from $400,000 to $500,000 —a record production. The Guggenheims of New York commenced investment and development work at the Tar Flats, on Pine Creek, with a promise of more extensive operations in the future. New gold discoveries were reported from Wilson Creek, a tributary of the O'Donnell River. Speaking to the Vancouver *Province*, on Nov. 2nd, Mr. C. D. Mason, City Solicitor of Atlin, stated that the District was becoming a rich man's camp. "Individual mining on the well-known creeks is almost a thing of the past and big hydraulic companies are acquiring placer claims from the miners at good figures. The heavy investments of the Guggenheims have caused capital to flow in as they have a reputation for making money in anything they touch." It was stated at the close of the year that these latter capitalists had purchased a large area of valuable claims at the head of the Portland Canal and that a Chicago syndicate had purchased some 17 gold, copper and zinc claims on the Haskins Mountains in Cassiar.

On Vancouver Island great development was promised. The Canadian Pacific Railway announcement of large expenditures in its development naturally excited expectation while it was also stated in December by Mr. James A. Moore, on behalf of other capitalists, that blast furnaces now being reconstructed would require a supply of 5,000,000 or 10,000,000 tons of iron ore from the Island. A rolling mill on the west coast was talked of for the development of the supposedly large iron deposits of the Island. Upon this latter point the Provincial Mineralogist stated on Dec. 6th that "the ultimate extent of the deposits and the exact nature of their depositions have not yet been ascertained." Valuable coal lands of 2,000 acres in extent were announced in November to have been acquired by Mr.

* NOTE—Victoria *Colonist*, August 8th, 1906.

A. C. Flumerfelt of Victoria. They lay close to the Nanaimo coal fields and the Dunsmuir properties at Extension. In August Mr. H. Carmichael, Provincial Assayer, had reported the existence of "an immense mineralized zone" on the mountains around Great Central Lake and containing copper, pyrites, pyrrhotite and arsenical iron scattered through the mass.

Progress in the Rossland region was not prominent. Between 1894 and 1905 some 2,200,000 tons of gold, worth $33,000,000, had been produced but in the past two years production had not increased. The Canadian Consolidated Mines, Limited, with its ownership of the *Centre Star,* the *War Eagle,* and the Trail Smelter was the chief single mining interest and, as its operations in 1905 showed a profit of $700,000, its work in 1906 was expected to give similar if not better results. Mr. A. P. Low, the geologist, stated on Aug. 28th (Victoria *Colonist*) that the *Le Roi, Centre Star,* and *War Eagle,* were "showing increased values with the depth." He was optimistic as to general conditions and, after describing various mining centres, added that "everything points to a speedy healthy revival of mining in British Columbia." In this general connection Mr. R. R. Hall, M.P., told the Peterborough *Examiner* (March 10), after his return from a trip, that "the wildcat speculative element has been eliminated, and the mining business is now being conducted along hard-headed business methods, with a very material benefit to the industry as a whole. The immense deposits in rich gold, silver, copper and lead areas are attracting capital and the mines are being profitably operated." In an interview recorded in the *Canadian Gazette* of May 31, Sir Charles Hibbert Tupper made a very similar statement in London:

> **The mining industry is now on a sound, practical basis and free from the influence of speculators and all the wildcat schemes which do so much to hinder and cripple development in this line of business. I do not believe there is any limit to the mineral wealth of British Columbia and I have been informed by men who have had a great deal of experience and who have made money there that the British Columbia mining industry will equal and very probably excel that of California.**

Lead mining in the Province prospered during 1906. The high prices realized and the helpful influence of the Dominion bounty contributed chiefly to this result. From 1887 to 1905 the total production had been $14,958,161 and in 1905 an increased value of nearly $1,000,000 over 1904 was recorded. Speaking of industrial conditions in this connection to the Victoria *Times,* on Oct 16th, Mr. G. O. Buchanan, a Dominion mining official, said: "The lead smelters of this Province are among the best in the world. They are worked very economically and pay as good prices almost as any. There is only one thing in which they suffer by comparison with some in Europe. Zinc is penalized where it reaches more than 10 per cent. of the total contents; while some of the European smelters do not impose this

penalty, but pay for the zinc and other bye-products such as antimony. Another noticeable feature of the lead industry in this Province is that, since the opening of the Trail refinery, about half of the lead produced has been refined in British Columbia. Roughly speaking, this half goes to supply the market in Eastern Canada, while the balance, after smelting, goes to the Selby works near San Francisco, in bond, where it is refined and afterwards shipped to the Orient."

Of the coal production of the Province much might be said though its value and quantity bore little relationship to the real resources and possibilities. The best known and largest producer was, of course, the Crow's Nest Pass Company of which Hon. George A. Cox was President and Mr. G. G. S. Lindsey, K.C., General Manager. Situated upon the western slope of the Rockies, about 375 miles east from the coast and 40 miles from the International boundary, these great coal fields contain unlimited mineral resources. Dr. George M. Dawson had, in 1883, described this region as "one of the most remarkable coal basins in the world." Dr. A. R. C. Selwyn roughly estimated the coal underlying each square mile, in one portion of the field, at 49,000,000 tons. From the time when the Company commenced operations in 1898, up to 1905, the total production was 4,265,529 tons with 1,263,601 tons of coke.

Besides the three Collieries operated by this Company the only producing coal fields at the beginning of 1906 were the Western Fuel Company Mines and those of the Wellington Colliery Company on Vancouver Island. In addition to these and attracting more or less attention during the year for possibilities of production were the Nicola coal fields, the Princeton coal deposits, those of the Upper Thompson River and the vicinity of Kamloops, the extensive fields on the Elk River, the coal exposures on the Telkwa, the coal fields of the Upper Skeena, 150 miles above Hazelton, and the coal areas of the Peace River country extending into British Columbia. In November it was announced that the coal measures owned by the Nicola Valley Iron & Coal Company, at the fork of the Nicola and Coldwater Rivers, had been purchased by eastern capitalists with a view to immediate development and the possible construction of a smelter. This would involve the development of the copper resources and low-grade ores of the neighbouring country. During October Mr. Byron E. Walker, General-Manager of the Canadian Bank of Commerce, was interviewed by the Nelson *News* and spoke enthusiastically of the coal and iron resources of the country:

But the most wonderful thing about the Province is the coal supply. The Crow's Nest country is a revelation. People a few years ago did not understand the vast amount of capital, of brains, which had to be applied before an output of 3,000 tons a day could be attained. That has now been done, and the achievement is being noted by the watchful eyes of capital everywhere. The coal area of the Province is enormous. There are the mines on the Vancouver Island, there are coal regions between

here and the coast, there are discoveries away to the north. Supposing one projected oneself 20 years into the future and reckoned the increase in the coal industry alone at a merely ordinary rate, not the phenomenal rate of the last five years, the aggregate would be enormous. There is a stupendous future before the Province in this alone. Then I am told that there is iron. They told us there was none in Ontario and presently men went out to look for it and plenty of iron has been found there. The same will happen here. Indeed, I am told that iron, good iron and plenty of it, has been located not far from this city. Coal and iron! It is the greatest combination in the world. Wherever it exists it has brought a fortune. It means manufacturing on a large scale.

As to general results and conditions in the Province Mr. A. P. Low, Director of the Geological Survey, was quite explicit in his annual Report for the year. Higher prices, a more active demand, increased output, stimulated prospecting and development were described as the conditions of 1906. He clearly analyzed the matter of prices: "The increase in prices of metals during 1906 is distinctly shown by the following quotations. The average price of the metals for 1905 was as follows: Silver, 60·35 cents per ounce; copper, 15·59 cents per pound; lead, 4·7 cents per pound; spelter, 5·82 cents per pound; nickel, 40 cents per pound. During 1906 the prices of all these metals had increased, and in December, 1906, the quotations were as follows: Silver over 70 cents per ounce; copper over 22 cents per pound; lead, 5·75 cents per pound; spelter, 6:4 cents per pound; and nickel from 45 to 50 cents per pound." The *Mining Record* for December was equally clear as to general progress. A quotation follows:

There are the permanent benefits which may reasonably be expected to result from the discovery during the year of large bodies of pay ore down to nearly 2,000 feet depth in Rossland mines; the substantial increase in output of Boundary mines with the certainty of a still further enlargement of production; the renewal under favourable auspices of active mining at Ainsworth; the great significance of success being attained by deep-level mining in the Slocan—the Rambler-Cariboo Company having lately encountered gold ore between 800 and 1,000 feet depth; the improved conditions in the Silverton section of the Slocan Lake district; the important recent development at Mt. Sicker, Vancouver Island, and the addition to the producing mines of the Province of the Britannia, on Howe Sound, and the Brown-Alaska Company's mine, on Portland Canal. The steady expansion of coal-mining operations is also worthy of note—on Vancouver Island, where the Western Fuel Company has opened up what is practically a new mine; at Nicola, where two companies are preparing to produce coal in considerable quantity; at Princeton, Similkameen; and in the Crow's Nest Pass, where, near Hosmer, the C. P. R. is developing a coal mine, and where, in the upper Elk section, several coal properties are being systematically prospected.

Mining Conditions in the Canadian Yukon

The Yukon Territory in 1906 was still in the throes of its vital change from the cruder methods of placer mining into hydraulic operation and the more expensive forms of production. The decline in the actual product had, meanwhile, continued. According to Geological Survey figures the output was $10,000,000 in 1898; $16,000,000 in 1899; $22,275,000 in 1900;

$18,000,000 in 1901; $14,500,000 in 1902; $12,250,000 in 1903; $10,500,000 in 1904; $8,327,000 in 1905. In 1906 it was a little over $6,000,000. From this grand total of $116,000,000 the Government had received royalties of $3,400,000 or 10 per cent. on the output up to $500 per week; 20 per cent. on weekly production in excess of that amount. During 1906 the Kimberley and Bullion groups of claims, three Creeks, some 22 bench and hill claims and a number of other mines, were extensively worked by hydraulics. Placer mining in its simpler forms, however, was still in the ascendant so far as the number of locations and working claims was concerned. In his annual Report dated Dec. 15, 1906 the Yukon Commissioner (Mr. W. W. B. McInnes) pointed to the continued progress toward the more advanced forms of mining as being most pronounced during the year:

> Large hydraulic plants have been in operation, and others of enormous magnitude have been started. Dredges have also been installed, and they have proved to be an unqualified success. Even the old form of prospecting by shaft sinking has been largely superseded by the use of steam churn drills. The operations of the dredges this year have confirmed the results obtained by the pioneer dredges of last year, viz., that the auriferous gravels of the Klondike district are admirably adapted to this manner of working. Indeed, the results have been so gratifying that already more dredges have been ordered from factories than can possibly be supplied next season. The great advantage of operating claims by dredge and efficient hydraulic methods has become so apparent that during the past summer the owners of many of the claims on the older creeks and hills have preferred not to work their properties by the more primitive methods, but to await the installation of dredges, or the larger supply of water. For this reason the number of gold-yielding claims has been temporarily greatly reduced. Notwithstanding this fact, however, the output up to Oct. 31 of this year amounted to $5,179,948.50. In view of the transition going on in the mining industry this is quite satisfactory.

At the same time Mr. McInnes was optimistic as to the possibilities of the future. "The deposits," he added, "of gold-bearing gravel are so extensive that placer gold mining there is absolutely assured to be a vast and permanent industry." He went on to point out that during 1906 dredging operations had considerably increased; that the Yukon Consolidated Goldfields Company had acquired most of the Bonanza Creek and a large portion of the famous Eldorado and Hunker Creeks, with a view to immediate development, and were installing elaborate modern appliances, constructing dams and reservoirs for their water supply, building ditches, saw-mills, water-power plant and constructing roads; that in the fiscal year ending June 30, 1906, 785 claims were staked while in the succeeding four months 1,388 claims were staked; that quartz mining had become an important industry in the vicinities of Whitehorse and Conrad City with $600,000 spent in development at the latter point; that an "enormous body of copper ore" had been uncovered near Whitehorse

and promised to make a large and valuable mine; that the Yukon Placer Mining Act (which came into operation on August 1st) had already given stability to the laws and mining system, aided in the adjustment of disputes, reduced mining litigation, helped to prevent claim-jumping, and facilitated the obtaining and holding of claims and the security of titles. In the Geological Survey Report for 1906 Mr. R. G. McConnell gave this expert view of conditions:

> Mining on the Klondike creeks is at present in a transition stage. The individual claim-owner is being gradually replaced by companies owning groups of claims and working them with expensive plants. The fabulously rich placers which made Eldorado, Hunker, and Bonanza creeks famous have been mostly drifted out and the gravels which remain are too lean, as a rule, to be worked with much profit by the early pick and shovel method. The necessity for a more economic treatment of the gravels has been met by the introduction of dredges on the creek and river flats, and hydraulic plants on the hills. During the past season four dredges were at work in the district and three others were in course of construction. Dredging in the Klondike when the gravels are thawed presents few difficulties. The gravels are very uniform in size and include few large boulders. The shattered bed-rock is also easily excavated by the buckets.

The condition of the Yukon was discussed in the House of Commons in connection with the passage of the Act just mentioned. Speaking upon its introduction on May 16th Mr. Oliver, Minister of the Interior, described it as an embodiment of the Mining Code prepared during the past year by a special committee of the Yukon Council. Dr. Alfred Thompson, the Conservative member for the Yukon, warmly endorsed the measure as representing the best possible work, experience and study of local conditions and requirements. It adequately met the wishes of the mining men of the Territory. Speaking in the House on June 12th Dr. Thompson dwelt at length upon present conditions in this region. He referred to the coming of the Guggenheims of New York and their current investment of $2,000,000 in dredges, steam shovels and hydraulic pipe; to the railway which British capital was building from Dawson to the centre of the Mining camp; to the investment of specific moneys from Toronto, Detroit, and St. Louis and of other sums from England, France, and the United States.

He then proceeded as follows: "The basis for my statement that there will yet be produced in the Yukon more than the $130,000,000 of gold that has been produced, is that there are in that country acres, miles, of auriferous gravel stretching along the hills and valleys, whose values are fairly well known because they have been prospected now for some nine or ten years. The difficulty is that the claims have been what might be called skimmed, while the lower grade gravels remain, and in order to work out these lower grade gravels capital is required. To find out how many cubic yards of these auriferous gravels remain in

the Yukon the Government have sent there this season a corps of geologists and engineers, two geologists and two engineers." The great and essential requirement of the Yukon was, however, a sufficient water supply. The necessary aqueduct and work would cost from $4,000,000 to $5,000,000 but the result would be the production of another $100,000,000 worth of gold within a short time and the creation of a permanent source of wealth and trade to the Dominion. The Hon. Mr. Oliver, in following, gave no definite assurance as to Government action in this respect but urged cheaper transportation as another essential of the situation. His summary of existing conditions was interesting:

My Hon. friend (Mr. Thompson) has called attention to the fact that while what is called the Klondike district has been the great producer of gold, and while its production has decreased, it is not by any means the only gold-producing district in the Yukon. There are diggings in widely separated parts of the country which would be considered rich anywhere else than in the Yukon. The cost of transportation, the shortness of the season and other difficulties, render diggings only fairly profitable in the Yukon, which in any other country would be very profitable. It is hoped that in widely separated parts of that vast country there will yet be developments sufficient to support a very large population. Not only are there gold fields in the Yukon, but there are deposits of coal which are of great necessity and value in the northern climate. There are also deposits of copper and silver which are now in process of development, and which it may reasonably be hoped will lead to still greater prosperity. As a matter of fact the Yukon Territory, larger as it is than some of the eastern Provinces, is generally recognized to be one of the most highly-mineralized areas in the whole world. It is, therefore, rather a matter of development and growth than a question of the existence of valuable resources.

Addressing the Empire Club, Toronto, on March 1st, Mr. Edmund Bristol, M.P., dealt with his recent trip to the Yukon, the beauties and grandeur of the scenery, the conveniences and unexpected comforts of travel, the wild flowers and varied fruits and excellent vegetables of the summer season, the necessity of a water supply and cheaper transportation. If the latter requirements were met "hundreds of millions would be taken out of the Yukon." And then he added: "It is not merely in the placer properties that the future of the Yukon exists or is to be found, for during the past two years the most wonderful deposits, or what are believed to be the most wonderful deposits, of silver and gold and copper that have been discovered in America, have been found in the southern portion of the Yukon in the neighbourhood of Whitehorse—a town called Cardcross. If the reports which have been made by many engineers of repute are correct it would seem as if this district had the most wonderful possibilities in the production of gold and silver and copper that any country in the world has ever known."

During the year the Yukon Council sent out several surveying parties and in an interview given the New York *Commercial* of Nov. 5th—a special issue dealing with Alaska and the Yukon—

Mr. Commissioner McInnes said: "The result is that it has been estimated that there are in this valley 450,000,000 cubic yards of gold-bearing gravel which may average 40 cents to the cubic yard. This conservative estimate would mean an output of gold, ultimately, from the district examined of $180,000,000. A good deal of expert opinion has been heard, however, to the effect that the gravel will run as high as 80 cents to the cubic yard. This means a good deal of profitable industry in the district when facilities are provided for working the ground. Of course, some of it must be done by hydraulicking from high-line ditches." Speaking to the Vancouver *Province,* on Aug. 31st, Mr. S. H. Graves, President of the White Pass and Yukon Railway, referred briefly to the chief local incident of the year as well as to general conditions: "The Yukon is now in the transition stage from hand to machine mining; the time has come when hand mining has ceased to be profitable, and many hand miners have left the district and others are going out. The advent of the Guggenheims into the Klondike means that many others will follow their lead. Their example in investing heavily in mining affairs there has tended to stiffen the backbone of some whose hopes were not of the highest, and for that reason, if for that alone, the operations of the Guggenheims will be beneficial to the country."

In the same paper on Nov. 3rd Mr. C. B. Burns, Territorial Secretary of the Yukon, described the decreased production of late years as being partly caused by the discovery of the Tanana goldfields in Alaska and the consequent loss of some 10,000 miners and prospectors who had exhausted the first and superficial richness of the country and then eagerly sought new and easier fields of work. But things were different now. "Yukon is beginning to get a large number of her old-timers back again. Then, too, the character of our mining is undergoing a decided change. The era when individuals had chances on every hand to make big fortunes is past. Mind you, I don't want to imply that there are not still fortunes to be made by the lucky man. The Guggenheims are typical of the newer Yukon investor. There is in the Klondike territory and the surrounding creeks dozens of spots, and I think I may safely say hundreds, where an investment of from $50,000 up will bring returns of 10, 15, and 20 per cent. for many years to come. That is, there are big stretches of ground in which the gold is distributed so evenly and to such an extent, that once the proper machinery is purchased and installed, the investor can figure up almost to half a per cent. profit." To the Toronto *World* of Oct. 2, Mr. Nelson R. Butcher, an official who accompanied the Dominion Railway Commission to the Yukon, said that there was no doubt of the enormous returns which capital would receive from judicious work and investment in the Territory. So far the Americans had shown more courage and enterprise in this respect than either Canadians

or English. The Guggenheim expenditure during the year, in buying up and preparing to work many of the best claims would, he declared, be little less than $4,000,000.

Fresh discoveries of mineral wealth occurred at several points. Bishop Stringer told the Winnipeg *Free Press* of May 16th that coal indications had been found at Whitehorse and Selkirk and that gas springs were frequent along the banks of the Yukon River—many having been seen by himself in the course of his missionary work. But the principal development was at Windy Arm, a southerly branch of Lake Tagish in the south-westerly part of the Territory, and within easy reach of the White Pass and Yukon Railway. Late in the year Mr. R. G. McConnell, of the Geological Survey, issued an official description of the region. Eliminating the geological and technical record of his investigation it may be said that the veins examined contained very rich indications of silver and copper. Many claims had been staked and some work done and the geologist's summary was as follows: "The general outlook for the camp is considered exceedingly promising and its opening up marks an important event in the mining history of the country. The mining conditions are not unfavourable. Most of the veins are situated at distances of from half a mile to four miles from the lake and at elevations of from 1,200 to 3,600 feet above it."

As a whole the position of the Yukon in 1906 was one of substantial progress despite the decreased production. The Dominion Government had spent a million dollars in the building of public highways and this was helping both passengers, prospectors and freight. An immense water plant was under installation at Dawson for purposes of fire protection. The application of the Cyanide process of extracting gold from the gravel promised profit in a new direction. Many new dredges were installed and the Rothschild Company, in particular, put three new ones in operation upon its concession. According to Mr. J. H. Rogers, of the White Pass Railway, 20 new dredges were ordered for shipment during the coming (1907) season while there was, in his opinion, special proof of mineral wealth and future production in the Forty Mile and Stewart River regions.

The Forest and Lumber Interests of Canada

Canada is perhaps the richest country in the world in its resources of timber and area of forest. Mr. George Johnson, Dominion Statistician, has estimated this area as 1,248,798 square miles of which Ontario possesses 102,118; Quebec 116,521; New Brunswick 14,766; Nova Scotia 6,464; Prince Edward Island, 797; Manitoba 25,626; British Columbia 285,554; and the two new Provinces and Territories 686,952 square miles. According to these figures the comparison with other countries is very striking—Canada having 148·8 acres of forest and woodland per head of population, while Norway comes next with a little over nine acres, Sweden with about the same, the United States

with seven acres and European Russia with nearly four acres. The far northern forests of Canada have vast quantities of spruce timber with, according to Mr. E. Stewart of the Forestry Department, Ottawa, many billions of cords of pulp-wood.

In Ontario there is some pine to be found and quantities of spruce, birch, poplar and tamarac. The forests of the Georgian Bay region still have plenty of pine but are being steadily depleted while the Districts of Nipissing and Algoma are well-timbered with pine, birch, cedar, maple, spruce, poplar and tamarac. Temiscaming pine land and the Ottawa valley forests and lumbering regions are well known. In the northern part of Ontario official estimates place the unsold red and white pine at 6,000,000,000 feet B.M., worth $42,000,000, while in 1904 a member of the Ontario Government placed the timber assets of the Province at $200,000,000. Other trees found in Ontario are basswood, cherry, white, red, black and green ash, elm, butterwood, oak, chestnut, beech, butternut and hemlock.

Quebec at one time boasted vast pine forests and they are still valuable though fires and lumbering operations are slowly depleting their resources. Spruce abounds throughout the Province, as do hemlock, maple, birch, cherry, ash, elm, oak, beech, poplar, cedar and tamarac. Mr. J. C. Langelier, an authority upon forest conditions in Quebec, has estimated its possible production as follows: saw-logs from soft woods 155,425,000,000 feet B.M.; saw-logs from hard woods 21,650,000,000 B.M.; pulp-wood 745,493,000 cords; railway ties, 730,000,000 pieces; poles for electric wires (cedar) 17,500,000 pieces; shingle blocks 700,-000,000 feet B.M.; square timber 30,000,000 cubic feet. He considered the value at current prices to be about $451,000,000.

The Labrador country is supposed to be well filled with forests of spruce, birch and tamarac. In New Brunswick pine has almost disappeared and spruce is now the staple of the lumber trade. Cedar is abundant and young growths of red pine, poplar and spruce are coming up in the Miramichi district. Nova Scotia has spruce and tamarac in abundance and Prince Edward Island still possesses some good hardwood. All these Provinces have varieties of the maple, ash, elm, hemlock, birch, oak, poplar and tamarac. In the western Provinces and Territories the forest and woodland region is very sparsely timbered, except along the banks of rivers and in the far northern basin of the Mackenzie and its tributaries where lies the great forest belt of Canada with its immense resources of poplar, banksian pine and a superior sort of spruce. Manitoba has some spruce and poplar and British Columbia has immense forests of Douglas fir in which trees grow to enormous sizes. Next in commercial importance is the cedar and there is an abundance of spruce, hemlock, tamarac and poplar with some excellent hardwood. Of the northern regions of Canada Mr. E. Stewart, Superintendent of Forestry, wrote as follows in the Interior Department Report for 1906: "I may

say, however, that in the basins of the Athabaska, the Peace, the Liard, and other tributaries of the Mackenzie, as well as in the Valley of that great river itself, are contained vast quantities of timber. The spruce, white and black poplar, birch, tamarac and jack-pine are the principal varieties, the spruce being by all odds the most valuable. Though it was impossible for me to see but a very small area of the timbered territory there can be no question that these northern regions contain a very great quantity of spruce timber, large enough for lumber; and a practically unlimited supply for pulp wood material."

The percentage of woodland in the farms of Ontario is 22 per cent., Quebec 38 per cent., New Brunswick 67 per cent., Nova Scotia 56 per cent., and Prince Edward Island 30 per cent. This large proportion is due, however, to the plentiful forests of newer and only partially settled regions. On the farms of the older settlements 5 per cent. would be a good estimate. According to the Census of 1901 the value of the forest production of Canada in that year was $51,082,689—including British Columbia $2,634,157, New Brunswick $2,998,038, Nova Scotia $3,409,528, Ontario $21,351,898 and Quebec $18,969,716. In 1906 the exports of forest products totalled $38,824,170 with $4,612,917 of manufactured articles. There are various important interests dependent upon the forest product of Canada and the Census of 1901 showed $89,959,336 to be invested in industries connected with timber and wood. The amount paid out in wages was $23,472,458 and the value of the production was $80,341,204.

The resources of British Columbia in this respect were considerably discussed and exploited during 1906. That Province claimed, with truth, to have the largest compact area of merchantable timber in the world and it was stated by a local writer, Miss Agnes Deans Cameron, on Oct. 20, that as much as 500,000 feet of lumber had been taken from a single acre as compared with the Ontario average of 20,000 feet. If the Douglas fir is a good pulp tree, as some authorities contend, it would make the resources of the Province in pulp-wood practically illimitable—its future markets in the new Provinces to the west and in Australia to the east, where there are no pulping woods and no water powers, being equally worthy of attention. Dealing with this general subject, on May 19th, the Victoria *Times* described the total cut of lumber in 1905 as being 473,713,986 lineal feet—an increase of 40 per cent. over 1904—with a probable cut of 700,000,000 feet in 1906. The forests of Vancouver Island were said to have been worth $7,000,000 in production during 1905 and, at the general estimate of 8,000,000 acres in area, to be worth as they stood the sum of $400,000,000. There were over 120 saw-mills in the Province with a combined capacity of about 2,500,000 feet daily or 750,000,000 feet per annum. Taking the Province as a whole it was estimated that 1,200 years, at

this rate, would be needed to cut the growth and that the value of this timber upon the stump was, in round figures, $9,137,000,000. Government licenses were issued numbering 4,000, or an increase of 100 per cent. over 1905, and the lumber output was estimated at 600,000,000 feet. Exports to Australia and South America increased nearly 100 per cent.

The Lumber industry in the Province had a most prosperous year. There was a demand for all that could be obtained and at good prices. The chief markets supplied were the United Kingdom, South America, Australia, South Africa and China and Japan. According to *The Lumberman* for November the cargo shipments for the seven months ending July 31st, 1906, totalled 40,411,510 feet of lumber and 5,107,590 shingles and laths. Prices went up both in British Columbia and the new Provinces by at least $1.00 per 1,000 feet, the reason assigned being an increased cost in production. During his Budget speech in March Hon. R. G. Tatlow referred to the improved condition of Provincial industries and notably to that of lumber. He proceeded as follows:

> This appears to be due to an increased demand for our lumber in the North-West, owing to the fact that trade in the United States has been sufficient to absorb its own production, and for the time being to relieve us of its competition in our legitimate market. But this condition of affairs may change at any moment, and it is none the less necessary for us to press for protection of the industry. The various revenues derived under this head exceeded the previous year by $162,000. At the present time there are 126 mills in operation in the Province with a daily capacity of 4,260,000 feet. The total cut for last year is estimated at 500,000,000 feet, an increase of 110,000,000 over 1904, and everything points to a still greater increase in the near future. New mills are being erected which will still further increase this output.

Many new mills went up during the year—some near New Westminster and others in the vicinity of Vancouver and Port Moody; one at Bon Accord and another at Mosquito Harbour. The Elk Lumber Company at Fernie and the Baker Company at Kootenay Landing were other builders of new saw-mills. Much of the development was the result of American capital, notably in the transactions carried out by the Lamb-Watson Lumber Company, the Rogers' Company of Minneapolis, and the North American Land and Lumber Company of Boston, at Arrowhead, Kamloops and Fernie, respectively. In November the H. L. Jenkins Company moved its headquarters from Seattle to Vancouver and was stated to have purchased 75,000 acres of timber limits in the Province. In December it was stated that a Lumber Company from Los Angelos was preparing to exploit the resources of Graham Island, one of the Queen Charlotte group, and to spend a large sum in development work, saw-mills, etc. Meanwhile, Canadians were not altogether idle. A syndicate headed by Mayor Buscombe of Vancouver bought a controlling interest in the Pacific Coast Lumber Company, Limited, of Burrard's Inlet,

and another one, including Sir Hibbert Tupper of Vancouver, purchased the Canadian Pacific Lumber Company's plant at Port Moody. Upon this general subject the Victoria *Colonist* of Oct. 16th said:

> **Large investments by American operators are becoming more and more a feature of the industry. So much is this the case in the interior, that the greater portion of the output of this Province, apart from the coast mills, is from mills owned by people who have come from the United States during the last two or three years. Even on the coast this is largely apparent. In a list of mills, issued the past month or two, six or eight had been started with a combined capacity of 735,000 feet daily. With two exceptions Americans were the principals.**

In Manitoba and the other Western Provinces the lumber question was chiefly one of price and not of production. During 1905 the aggregate consumption of Manitoba and Saskatchewan was stated as being 379,901,189 feet of which, in round figures, 37,000,000 feet came from the United States, 116,000,000 from British Columbia, and 82,000,000 from "New" or Northern Ontario. In view of the large building contracts and increased number of houses required by settlers and growing towns the requirements for 1906 must have been much greater—despite the higher prices. In this connection an Order-in-Council was passed on May 16th providing for the encouragement of small saw-mills in the three Western Provinces by granting, without competition, to the first applicant who was a saw-mill owner the right to cut timber over a definitely-described tract of land, not exceeding one square mile in extent, upon payment of certain Crown dues and fees. According to the 1906 Report of the Interior Department there were 134,079,194 feet, B.M., of lumber manufactured in 180 local saw-mills and sold in Manitoba, Alberta and Saskatchewan during the fiscal year; besides 179,000,000 feet B.M., imported from Ontario; 360,000,000 feet from British Columbia; and 24,000,000 feet from the United States—a total consumption in the three Provinces of 700,000,000 feet.

The lumber business in Ontario and Quebec experienced a continued rise in prices, accompanied by an increase in the cost of production with a deterrent influence upon building operations, as well as some influence upon rents, etc. The Ottawa Valley production was 541,000,000 feet B.M. in 1905—a decrease of 24,000,000 feet from 1904—and was estimated at a still lower production in 1906. Some heavy transactions in the Georgian Bay District took place early in the year when the Eddy Company was stated to have sold a timber limit to a Chicago concern for $500,000; one to a Michigan Company for $325,000 and another for $400,000; with others aggregating a total sum of $1,400,000. On July 31 it was announced that the Sarnia Bay Lumber Co. had sold limits on the north shore of the Bay for about $1,500,000. In New Ontario considerable development took place. British money was quietly invested at different points, as

at Sturgeon Falls, where in seven years the population had grown from 700 to 3,000 and the large paper mills and plant now consumed 1,000,000 logs of spruce a year and employed 600 men in the bush each season. Speaking to the Empire Club, Toronto, on Jan. 4th, Mr. G. B. Kirkpatrick, of the Crown Lands Department of Ontario, referred to the Forest resources of this region as follows:

> From careful estimates made it has been found that there is still in the Crown Lands, unsold, white and red pine which will produce at least six billion feet board measure, which at present prices would involve a cash value of not less than $42,000,000. If invested at three per cent. this would net the Province an annual income of $1,260,000. It was found also that extensive forests of spruce, jack-pine and poplar existed, estimated to contain at least three hundred million cords of pulp-wood, which, at 40 cents per cord, amounts to $12,000,000. If invested at three per cent. this would give the Province an annual income of $3,600,000 for all time to come. From a very conservative estimate of the annual growth of pulp-wood it is found that it amounts to no less than six million cords, sufficient to employ two hundred pulp mills, capable of employing at least one hundred thousand men.

The resources of Quebec in this connection became better known during 1906. Speaking in Toronto on April 5th the Hon. W. A. Weir, Speaker of the Quebec Legislature, said: "It has been calculated that if we sold out our forests to-morrow we would get as a bonus—calculated at a very low rate—the Province would receive some $18,000,000 and for stumpage fees, if the trees were cut immediately, no less a sum than $420,000,000; so that the Province of Quebec has considerable resources to be developed at some future day." He went on to speak of its pulp-wood resources, in particular, and to quote from a recent speech of Senator W. C. Edwards in which reference was made to his Company's ownership of 760 square miles of forest lands in Quebec, capable of producing 50,000 cords of pulpwood per annum for all time to come,—through a careful process of reafforestation. "Our pulp industry is one of great magnitude," said Mr. Weir, "all over the Province of Quebec the pulp and paper industry has taken giant strides during the past few years, and I want to emphasize the remark made by Senator Edwards when he said that everything that grows in our forest lands is of great value; that in these days of electrical development and the advancement of chemistry use can be made of everything that grows in our forests; and I want to say that our pulp lands are practically inexhaustible."

Considerable development took place in the St. John Valley where water powers, railway projects, and agricultural resources, combined with wealth in timber to attract public attention. In connection with the La Tuque branch of the Quebec and Lake St. John Railway four saw-mills were projected as well as extensive pulp establishments—according to an interview in the Montreal *Gazette* of July 12th, with Mr. J. G. Scott, Manager of the

Railway. It was announced on Dec. 21st that a syndicate from Portland, Maine, had purchased the Breakey timber limits in the same region for $225,000 with the promise of erecting the largest pulp and paper mills in Canada. Nova Scotia had an excellent lumber year. Prices were good and, despite the higher cost of lumbermen's supplies, increased wages, and higher freight rates, the measure of profit was apparently reasonable. The exports of lumber during the season exceeded 200,000,000 feet while the total from all the Maritime Provinces was 491,000,000 feet. Of this 25 millions were shipped from Halifax, 25 millions from Pugwash, 42 millions from Parrsboro', 40 millions by the Dawson Lumber Company of Bridgewater, 97 millions from Miramichi, 33 millions from Campbellton, 19 millions from Dalhousie and 175 millions from St. John, N.B. The industry is a very important one to Nova Scotia and perhaps equally so to New Brunswick. Writing to the Halifax *Chronicle** Mr. F. C. Whitman, a leading lumber exporter, described conditions as follows:

> **The lumber industry of Nova Scotia is of so great importance that if anything should happen to stop the operations of the established mills and factories that are situated in all parts of the Province, it would immediately be felt as a calamity. The larger number of towns and villages, particularly in western Nova Scotia, owe their very existence to the lumber trade. The manufacturers of mill machinery and supplies do a very large volume of business annually. Transportation by water and by rail for the supplies coming in and for the output of lumber is a big freight item. And more directly to the benefit of our people is the money paid out annually for camp supplies to provision the lumber crews and cattle working in the woods, and the wage list of loggers, stream drivers, mill hands, teamsters and, at shipping points, the pay of stevedores and the money left in port by every vessel that loads—estimated to be from $500 to $1,000 according to tonnage.**

Summarizing the general condition throughout Canada *The Lumberman* of Toronto said: "Every exporting Province of the Dominion made larger shipments last year than in 1905. New Brunswick is 75,000,000 feet ahead in trans-Atlantic trade and Nova Scotia manufacturers secured an increased volume of business from South America and the West Indies, of which the exact figures are not available. The white pine production of Ontario and Quebec was eagerly sought for by United States consumers, who have become largely dependent upon the Canadian supply. British Columbia, too, made some gain in exports notwithstanding the great demands of the West for lumber. Compared with a year ago prices are higher all around. The cost of production has increased from ten to twenty per cent.; labour supplies and stumpage being also higher. Operations as now conducted yield a fair profit, but not more than that to which the lumberman is entitled."

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* NOTE—January 1st, 1907.

Forestry and the Preservation of a great National Resource

Important as are the riches of Canada in lumber and forest products they cannot be long maintained without care in resisting the destructive fires which yearly sweep over large tracts of the country; together with the proper encouragement of tree-planting and reafforestation. A good deal has been done along these lines. The Dominion Government has a fire-protection service with a number of fire-rangers. Its Experimental Farms in the West aid the farmers in tree-planting. Forest Reserves have been set aside in Manitoba to the extent of 3,449,600 acres; in the new Provinces to the extent of 5,612,-800 acres; in British Columbia to the extent of 24,480 acres; making a total Dominion reservation of 9,686,880 acres. In Ontario a generous system in this regard has been adopted and much good work done. Large Provincial Reserves have been created with a view to preserving the timber for the public—the Algonquin National Park of 193 square miles; the Mississaga Forest Reserve of 3,000 square miles; the Nepigon Reserve of 7,300 square miles; the Temagami Reserve of 5,900 square miles; and a couple of small sections elsewhere.

Nova Scotia has not yet suffered from the denudation of forests and the elimination of trees from the agricultural area, but New Brunswick has done so to some extent, as also has Prince Edward Island. Some efforts have been made in these Provinces to protect existing forests from fire, etc., but not as yet with sufficient organized energy. In Quebec the Laurentides National Park was created in 1895 with a reservation of 1,700,000 acres. During 1905 the Gaspesian Forest Reserve of 1,500,000 acres was set aside and in 1906 the reserved area totalled 3,622,000 acres. Throughout the Western Provinces there is a general recognition of the desirability of planting trees and encouraging their growth.

Everywhere the preservation of forests from fire has, of late, been discussed. In 1906, during August, great forest fires ravaged New Brunswick sweeping over parts of the Miramichi Valley and King's County; endangering various villages and, notably, the towns of Sussex and Moncton; doing immense damage to valuable timber limits. In Quebec serious fires occurred about the same time; in British Columbia the year was the worst in this respect of a decade. A despatch in the Toronto *Globe* of Sept. 8 described the situation and the injury done very clearly. "The summer has been unusually dry, and there have been more picnic parties, prospectors, and timber cruisers in the woods than for some seasons. It is almost impossible to estimate the actual damage done, but it will run into six figures, if not seven. From Fernie, in the Crow's Nest Pass district on the eastern boundary, to the extensive forests on the coasts north of Vancouver, fires have seized hold of acre upon acre of valuable timber. In addition a number of settlers have lost their homes, bridges have been destroyed, farm produce swept away, and many

thousand feet of fencing destroyed." So far as British Columbia or its powers of recuperation in this respect were concerned it is interesting to note the comment of Dr. Judson F. Clark of the Ontario Department of Forestry (Victoria *Colonist,* Oct. 11) that " there is probably no country in the world where timber growth and the natural reproduction of valuable timber trees can be seen to better advantage. Certainly the normal growth here exceeds that of eastern Canada at least two-fold."

On Jan. 10th and two succeeding days a Canadian Forestry Convention was held at Ottawa under the highest auspices and with obvious success. It had been called by Sir Wilfrid Laurier in an open letter to the Public dated August 21st, 1905. In it he announced the coming Convention and gave a list of representatives of Governments and political bodies, Forestry Associations, Lumbermen's Associations, Boards of Trade, Universities, Agricultural Colleges, Farmers' Institutes, etc., who were being invited to attend. The reasons for such a gathering were given as follows: " Canada possesses one of the largest areas of virgin forest of any country in the world and is ranked by European experts first, or among the first, of the important sources of the world's supply for the future. The preservation of the streams in perennial and constant flow, which is largely controlled by the forests on the watersheds, will have an important influence on the industrial and agricultural development of the Dominion. In all the older Provinces the clearing of the soil has been carried to such an extent that the ill effects on the water supply and in agriculture are clearly marked, while on the western prairies the need of sheltering trees for houses and fields is seriously felt by the settlers. The early construction of the Trans-continental Railway and of other railways through our northern forested districts and the consequent opening of those districts to general traffic, will increase the danger from fire which has already been a most active agent of destruction."

At the opening of the Convention, the Premier presided and a brief address was given by H. E. Earl Grey. Sir Wilfrid followed and declared that neither the pioneers of the past nor those of the present understood that " in the economy of nature forests are just as indispensable as tilled fields." He described the Convention as called in order to " make every class in the community realize the great importance of maintaining, preserving and protecting our forests." Hills, mountains and plateaus which are the sources of flowing streams and rivers should never be allowed to be anything else but forest. Something should be done to replace forest areas, to encourage the re-growth of trees. Something, also, should be done to protect the forests against their chief enemy—fire. Whether caused by careless lumbermen, reckless sportsmen, or the railway locomotive, a remedy, a check, should be sought for and found. Tree-planting must be encouraged and, with this object, the Dominion Government had eight

years before established a Forestry Branch at Ottawa. Manitoba, Alberta and Saskatchewan were, in this respect, doing splendid work.

Mr. R. L. Borden, the Hon. Frank Oliver, Mr. E. G. Joly de Lotbiniére, President of the Canadian Forestry Association, and Mr. Gifford Pinchot, Chief of the United States Forest Service, followed with speeches of serious import and thoughtful character. During the ensuing meetings of the Convention a number of valuable papers were read or addresses delivered. Mr. E. Stewart, Dominion Superintendent of Forestry, stated the land area under control of the Government as totalling 1,250,000 square miles of treeless country and 1,406,200 square miles more or less wooded. The total land area owned by the Provinces was 963,618 square miles. Mr. Stewart then summarized the situation as follows:

> It may be truly said that on a very large proportion of this the forest growth is of little value for commercial purposes. Let us make due allowance for this and estimate that only one-fifth of this land contains timber fit for such purpose. One-fifth of 1,406,200 gives 281,240 square miles. We have now taken from the total land areas under Dominion control the barren lands of the far north and the prairie land and then taken only one-fifth of the remainder in our estimate to represent the area of land containing merchantable timber; and we have still left 281,240 square miles. Suppose that the latter contains only 2,000 feet, board measure, to the acre, or 1,280,000 feet to the square mile over ten inches of the stump, and we have left after all these reductions 359,987,200,000 feet of mature timber which at the low rate of royalty to the Government of $1.00 per thousand would be $359,987,200; which sum represents but a small part of its value to the community and does not include the smaller growing timber which should be regarded as the agriculturist does his growing crop.

Dr. Robert Bell dealt with the alarming destruction of forests by fire; Mr. C. H. Keefer and Mr. Cecil B. Smith, with the relation of the forests to water-power; Mr. T. Southworth with the management of Forest Reserves; Mr. Aubrey White with Forest Preservation; the Hon. Sydney Fisher with the Forests and Water supply; Mr. J. S. Dennis with the Forests in relation to agricultural irrigation; Dr. William Saunders with Forestry at the Experimental Farms; the Rev. A. E. Burke with Forestry conditions in the Eastern Provinces; the Hon. W. C. Edwards with the general condition of the forests and the nature of the problem; Mr. William Little with the lumber interests; Mr. H. M. Price and Mr. E. B. Biggar with the Pulpwood industry; Mgr. J. C. K. Laflamme with Forestry education; Dr. Judson F. Clark with Canadian Forest policy; Mr. B. E. Walker with general conditions. Many others addressed the gathering which adjourned after passing Resolutions which may be summarized as follows:

> **1. Proclaiming the time to be ripe for an organized Forestry policy on the part of the Dominion Government.**

2. Urging an exploration of the public domain in advance of settlement so that lands, unsuited to agriculture, could be permanently reserved for the production of timber.

3. Approving the policy of the Dominion and Provincial Governments in establishing Forest reserves and urging the further extension of the system.

4. Favouring a policy of having the cutting done in Forest Reserves under qualified official supervision.

5. Approving the establishment of a fire ranging system and urging its extension and operation along lines of greater efficiency.

6. Urging that special means be taken to preserve the forests on watersheds in view of the importance of water supplies to agriculture, irrigation, and manufacturing; and of the increasing value of water-powers through the industrial uses of electricity.

7. Dealing with the intimate relation of the flow of irrigation streams in Southern Alberta to the forests of the eastern watershed of the Rocky Mountains and urging the necessity of protecting the forests of the latter.

8. Asking the Dominion and Provincial Governments to encourage amongst the farmers, both by instruction and the giving of facilities for obtaining nursery-stock suitable for afforestation, a more general interest in tree-planting—especially in the prairie regions or on lands now unfit for agriculture.

9. Demanding that Railway Companies, in the construction of new lines, be required to furnish an efficient equipment to control or prevent fires and that an efficient patrol be established along the afforested lines of railway whether under construction or in actual operation.

10. Asking for Government regulations regarding the use of the axe in forests.

11. Expressing a belief that the retention of rough areas under wood and the replanting of areas unsuited for agriculture would be aided by their exemption from Provincial and Municipal taxation.

12. Asking the Government to place forest-tree seeds for afforestation purposes upon the free list.

The Convention was a great success, not only in arousing individual enthusiasm but in diffusing knowledge, increasing public interest, influencing the press and impressing Governments. The attendance was large in number and influential in character. The first result was the presentation of a measure to Parliament on May 8th by the Hon. Mr. Oliver looking to the preservation and extension of the existing Forest reserve system. The Premier in his speech described it as an attempt to carry out the wishes of the Forestry Convention of January and went on as follows: "The object of the Bill is to set aside certain areas in the different Provinces and make of them state forests. If this Bill becomes law, it will not be possible for the Governor-in-Council to alter in any way the areas set apart for these forests, and in this we shall be following the examples set by France and Germany. The Government will not have the power, under any circumstances, to alter the area or sell part of these lands. Should a condition of things arise which would make it advisable to alter the area of the forests so created, Parliament alone will be able to do so. Therefore, the object of this legislation is primarily to set apart certain areas of land which shall be preserved as forests." The measure, in due course, passed the two Houses and became law.

On Sept. 26th and 27th the Canadian Forestry Association held its annual meeting at Vancouver. Lord Grey was present as were the Lieut.-Governors of British Columbia and Saskatchewan, the Hon. F. J. Sweeney, Surveyor-General of New Brunswick, Mr. H. M. Price of Quebec and others from outside the Province. Nine papers were read and various speeches delivered. Protests against forest fires were many and better regulations and laws in this respect were demanded. The tenure of squatters in timbered areas and the possibility of the Douglas fir becoming a pulp and paper-making wood were discussed. Notable addresses were given by Hon. R. F. Green, Commissioner of Lands and Works, Mr. R. H. Alexander of Vancouver, and Mr. E. Stewart of Ottawa.

The Fisheries of the Dominion

The varied and widely distributed fishing grounds of Canada are amongst its greatest sources of positive riches and possible development. Between 1869 and 1906, inclusive, they yielded $136,043,567 worth of cod; $90,933,459 worth of salmon; $79,868,626 worth of lobsters; $72,565,569 worth of herring; $46,047,244 worth of mackerel. The total yield of all kinds of fish (1870-1905) was $625,445,224. Geographically, the deep fisheries are probably the most important, although much of the 12,000 miles of sea-coast has not yet been adequately worked. The coast of Nova Scotia from the Bay of Fundy, around the southern part; the coasts of Cape Breton, New Brunswick, and Prince Edward Island—including the Baie des Chaleur and the Gaspé Coast—and extending to the Island of Anticosti, the Labrador Peninsula and the Magdalen Islands; are the chief Atlantic points. Of these fisheries the largest single product is the cod which appears on the Canadian coasts, as a rule, between the middle of May and the beginning of June. Its production seems to be diminishing. In 1904 the total Canadian yield was $3,643,654 and in 1905, $3,421,400. The quantity of cod along these coasts is very great and the fishing is carried on either in vessels of 60 or 100 tons on the banks, or in open boats near the shore. According to one authority the finest cod in all America is cured on the coast of Gaspé, in Quebec Province.

The herring fishery is next in importance. For many years past its value has been almost stationary—in 1883 $2,135,000; and in 1905 $2,303,485. The Quebec coast has immense resources in this connection, but they remain largely undeveloped. As soon as the ice disappears in the spring vast shoals of these fish line the coasts and remain there until December—some even through the winter. The mackerel is a valuable fish in these waters but its pursuit is described as difficult and precarious. Whatever the reason, the production seems to be diminishing. In 1903 the total was $1,644,000 and in 1905, $958,223.

A very different industry is lobster fishing. To Prince Edward Island it has meant much. In 1871 there was only one lobster canning establishment in the little Province while in 1881

there were 120 of them putting up 5,200,000 cans. So in New Brunswick which, in 1871, had one factory preparing 20,000 cans and ten years later sent out 6,000,000 cans. In 1883 there were 600 factories in these Provinces (including Nova Scotia) shipping 17,500,000 cans or 52,000,000 lobsters valued at $3,000,000. Between 1876 and 1898 Halifax, from which at least a half of the export is shipped, had received from and for this industry over $21,000,000. Meanwhile the value per case had gone up from $6.00 in 1884 to $10.00 in 1898. In 1904 the total production was $3,691,151 and in 1905, $3,906,998.

It may be added that the oyster fisheries of this part of Canada are very rich, though they do not as yet yield more than $200,000 a year. The Atlantic seal fisheries of the Labrador coasts and the Magdalen Islands are also rich in themselves and are largely developed by Newfoundland fishermen. Canadians take little part in the work—perhaps because of the hardships involved—although the business is said to pay 25 and sometimes 40 per cent. upon investment. Other fish found plentifully in these Atlantic waters are haddock, halibut, hake and white whale. In the estuarine fisheries of the Maritime Provinces are salmon, shad, gaspereaux (alewife), striped bass, smelts, and, in the lakes, winninish, or land-locked salmon, lake-trout, maskinonge, etc.

On the Pacific coast the salmon fishery is the chief one and questions connected with the use of traps and the competition and methods of American fishermen are matters of continuous controversy. The various species of salmon include the sockeye, the quinnat, the dog-salmon, etc., and the production varies from $3,521,158 in 1903 to a total of $8,989,942 in 1905—Fraser River 877,136 cases and Northern cases 290,324. Other fish in these waters are halibut, black cod, the oolachan, anchovy, herring, sardine, smelt, and many more which are not utilized to any appreciable extent. Of importance are the well-known seal fisheries of which the product in 1903 was only $317,440 and in 1905 $331,152. Oysters have also a limited production and there is some whale fishing. The Hudson's Bay fisheries are extensive in resource but not much utilized. Whale fishing is carried on, however, and in the waters of the Bay—exceeding the Mediterranean in extent—are also found walrus, sea-trout, the inconnu, pike, and sturgeon. Hair seals and white whales are numerous.

Turning to the more important of the fresh water fisheries of Canada it is seen that the great lakes—Ontario, Erie, Huron and Superior—teem with fish of every kind suitable for the table. So with the immense number of rivers running into these vast bodies of water and the St. Lawrence River. Similar conditions exist in the Lake-of-the-Woods district with its many rivers; in the marvellous chain of lakes and rivers comprised in the Mackenzie system; in the Saskatchewan, Restigouche, St.

John, Yukon and many other rivers; in the British Columbia series of lakes and rivers covering an area of plain, valley and mountain stretching 1,000 miles north and south and 500 miles east and west; in the Manitoba chain of lakes and rivers where whitefish, pickerel, sturgeon and pike are largely exploited. Food fishes of the most delicate flavour are simply innumerable. The whitefish, the salmon trout, the sturgeon, the pickerel, the pike, the black bass, the perch, the carp, abound in Ontario waters and most of them are also found in those of the North-west Provinces in much the same measure.

The total production of Canadian Fisheries in 1870 was $6,577,391; in 1904 it was $23,516,439; in 1905 it was $29,479,562. The capital invested in the industry was officially placed at $12,880,897 in 1904 and the persons engaged in it at 96,907. Bounties of about $160,000 are paid annually to the fishermen and some 30 hatcheries, various scientific biological stations, bait freezers and guano works, are provided by the Dominion authorities; together with a Fisheries Protection Fleet of a dozen vessels upon the sea-coast and great lakes. The yield in 1905 was the greatest upon record and exceeded that of 1904 by nearly $6,000,000. The product by Provinces, with the total capital invested, was as follows:

Province.	Value of Fish.	Capital invested in Industry.
British Columbia	$9,850,216	$6,710,651
Nova Scotia	8,259,085	3,158,145
New Brunswick	4,847,090	2,904,179
Quebec	2,003,716	1,426,893
Ontario	1,708,963	960,700
Prince Edward Island	998,922	966,057
Three Western Provinces	1,811,570	661,270
	$29,479,562	$16,787,895

During 1906 the total yield was not expected to be as large as in the preceding record year. Official statistics are not available at the time of writing but various reports received by the Government, and facts recorded in the press, give a fair indication of conditions. In the Maritime Provinces prices for cod were very remunerative though the yield was not as good as in 1905; the lobster and smelt industry had only a fair year; shad and gaspereaux were plentiful in many localities; the herring and mackerel fisheries off the south coast of Nova Scotia were good. The catch of river and harbour salmon in New Brunswick was unusually large. Herring curing demonstrations were successfully continued under Dominion Government auspices and the dog-fish reduction plants were worked to their full capacity with good results in curbing the operations of this pest. In a general Fishery connection the necessity of better railway facilities was considerably discussed in both Legislative meetings and commercial gatherings. At the meeting in August of the Maritime Board of Trade Mr. C. H. Whitman of Canso read an elaborate

paper upon the subject. He declared the fishing grounds of the Atlantic Provinces to be more productive than even those of British Columbia and the Port of Canso, N.S., to be the ideal fishing port of the whole coast. If the railways did their duty a great future for this industry would be assured:

> It would be safe to say that the fish business of the future in the Maritime Provinces is destined to be a much more important industry than it is to-day, giving employment to many thousands and a staple article of food to half a continent. The time is coming when the present methods of catching and marketing will be laughed at for their inefficiency, when docks and wharves and warehouses, such as we do not to-day dream of, will be devoted to the business, when hundreds, perhaps thousands, of fleet steamers will have superseded the sailing craft now employed, and railroads will wrestle with one another for the privilege of carrying the million tons of freight the business will be ready to furnish.

In Ontario no particular change in production was expected although serious complaints were made by officials as to the enormous damage done by carp in the international waters and in some of the inland ones. It was also claimed that the number of nets fished was in excess of the number allowed by license; that considerable poaching was done by American fishermen; and that it was impossible to enforce existing regulations unless the Provincial officers were provided with steam power to enable them to over-haul the tugs used alike by Canadian and United States fishermen.

The Georgian Bay Fishery Commission, composed of Mr. E. E. Prince, Mr. John Birnie, K.C., and Mr. James J. Noble met at Toronto, Collingwood, Parry Sound and other points during the year. The evidence of Sir John Boyd, who had a summer place in Georgian Bay, was especially interesting as given on March 14th. The diminution of game fish he regarded as most deplorable. This, he said, was attributable to two causes. The first was the custom of fishermen setting nets in the innumerable bays that are strung along the north shore; which are the haunts and habitations of black bass and other game fish. The other was the non-compliance by American anglers with the regulations respecting the number of fish to be caught by an individual. The Chancellor said that he had frequently seen a tug with eight or ten rowboats in tow, and when the fishing grounds were reached the Americans would enter the respective boats and engage in fishing. Before starting bets would be made as to who would catch the greatest number of fish. As a result far more fish than they could possibly use would be caught and, after counting them, they would be left on the rocks to rot. He believed a license fee of $10 a rod should be imposed upon Americans coming into the Georgian Bay to fish. Various witnesses dealt with the injury done by both the legal and illegal use of seines and pound nets. A good deal of evidence was also given in favour of establishing a fish reserve for anglers in which no net fishing would be allowed.

To the Toronto *Mail and Empire* of April 28th, Mr. Edward Harris contributed a careful study of fishing conditions in Ontario. He pointed out that fish was one of the finest and most healthful of foods; that in this Province the consumption of the Lake product averaged half-a-pound a year for each person; that practically hundreds of thousands of the people never tasted fish; that the Fisheries were being destroyed for the benefit of Americans; that the licensing system was a failure and cheap fish as much needed as cheap electricity; that the present joint interest of Dominion and Provinces in the Fisheries was a serious evil. Upon these views Mr. Charles Noble of Collingwood commented a couple of days later—mainly in connection with Georgian Bay conditions and in advocacy of the construction of a Government hatchery with the adoption of some means of destroying the spawn-devouring fish which were depleting the Lakes of whitefish and trout.

Fishing in the Gulf division of Quebec's waters was reported as satisfactory. Salmon and cod were abundant but the lobster industry not quite up to the mark. In Manitoba the season was an average one with, however, an unusually high price for fish. Complaints were made as to the steady depletion of whitefish in Lake Manitoba owing to the prolonged monopoly of fishing by United States commercial interests. Neither Canadian fishermen nor Canadian consumers benefited by the millions of pounds of fish taken annually out of this great whitefish area. In Alberta and Saskatchewan the industry was still in its infancy. A beginning had been made, however, at Lesser Slave Lake, Alberta, and in the lakes around Prince Albert a revival of an old-time production took place. On Cedar Lake, in Saskatchewan, and in the Battleford district, a considerable yield was reported. In Alberta the need of a hatchery was pointed out in official reports; the yield was stated to be good; and complaint was made that fishery regulations were not regarded or properly enforced in the southern part of the Province.

British Columbia did not expect so large a pack of sockeye salmon as the phenomenal yield of 1905 had given and this expectation was to a considerable extent realized. The Fraser River pack was estimated at less than half that of four years before and the Puget Sound pack showed a similar shrinkage—amounting to a total of 400,000 cases according to the Toronto *Globe* of Aug. 23rd. The Dominion Government extended the season on this account to Sept. 15th in order to help the canneries. Upon the other hand prices were excellent and the halibut and herring fisheries were even better than in 1905. A successful whale fishery enterprise was carried on and the demand for herring bait from the State of Washington was very heavy. In the 1906 Report of the Department of Marine and Fisheries Professor Edward E. Prince had a most elaborate review of the fishing conditions and resources of this Province—in salmon, halibut, black

cod, oolachan, smelts, herrings, sturgeon, anchovy, shad, trout and whitefish, shell-fish, crabs, shrimps, whales, etc. The following statement is of interest:

The investigations carried on during the past summer (1906) proved that extensive feeding grounds for fish occur on every part of the coast from Victoria to Naas River. The bottom is in numberless places literally alive with invertebrate animals, especially shell-fish, annelids, shrimps and sand stars, which constitute a very large part of the food of the most esteemed kinds of marketable fish. The greatest spawning and feeding grounds in the world for herring, halibut, flat-fishes, allied to the plaice and sole, and numerous other food fishes occur within the vast sheltered area (covering nearly 30,000 square miles), extending from the international boundary line on the south to the Alaskan limits in Dixon Entrance on the north, and shielded from the open ocean by Vancouver Island and the Queen Charlotte Island group. The number of large rivers which take their rise on the Pacific slope of Canada is astonishing, including with one or two exceptions, all the great salmon rivers on the Western watershed of North America. The Fraser, Columbia, Thompson, Skeena, Naas, Stikine, Liard, Yukon, Pelly, Porcupine, Peel and other vast streams all have their sources in British Columbia or the Yukon District, and most of them rank as the greatest salmon rivers in the world and flow during their whole course through Canadian territory, though some, like the Yukon, the Stikine and the Columbia, debouch into the sea beyond its boundaries. It is an axiom amongst fishery authorities that food fishes improve in flavour and quality in cold northern waters and it must be admitted that these Pacific fishing grounds possess for that reason an enviable position.

The usual amount of discussion occurred during the year regarding trap fishing. The Victoria *Times* of June 23rd, after describing the income of the Province from the sea as being nearly $7,000,000 a year, went on to claim that Victoria was rapidly coming to the front as the centre of the Provincial fishing interests; declared that the progress in operating fish-traps, by Victoria cannerymen, from 2 in 1904 to 14 in 1905 and probably 28 in 1906 was a proof of this; praised the trap method of procuring salmon as the only way to meet the encroachments of the United States fishermen; urged the development of local herring fisheries and the canning of shell-fish as a great canning industry. The same paper on Nov. 17th stated that in the ten years ending with the season of 1905 350,000,000 cans of salmon had been packed in British Columbia, worth $7,700,000. In a Report published in the press on March 11th, Mr. J. P. Babcock, Provincial Commissioner of Fisheries, dealt with two interesting points in this connection:

The successful opening of the great and almost boundless spawning grounds of Quesnel Lake section to the breeding sockeye is a matter of great importance to the fisheries of the Fraser district. With the knowledge that the Quesnel section and all the other spawning grounds were well seeded and that each of the five hatcheries located on the watershed were filled with eggs to their full capacity, we may safely assume that the Fraser River District was thoroughly stocked this year, and that the run in the future to result from this year's spawning promises well to all concerned. As a result of my four years' study of

the fisheries of the Fraser, I am convinced that the perpetuation of this great industry can be insured beyond all question only in case such fishing regulations are enacted and enforced as will permit a sufficient number of adult fish to reach the spawning grounds each year to carry out their work of procreation.

The British Columbia Fisheries Commission

In August the Dominion Fisheries Commission, composed of Professor E. E. Prince of Ottawa (Chairman), the Rev. G. W. Taylor, Mr. Richard Hall, M.L.A., Mr. J. C. Brown, Mr. Campbell Sweeney and Mr. J. P. Babcock, and appointed late in 1905, paid an official visit to the Puget Sound ports, the Vancouver Island traps, etc. In an interview given in the Toronto *Globe* (Aug. 16th), upon their return from the south, Mr. J. C. Brown declared that: "The Americans looked at the matter from a business standpoint and that alone. To them the problem was to capture the largest possible number of sockeyes for canning purposes." His impression was that they were inclined to leave to the Dominion Government such work as the establishment of hatcheries and other steps towards the propagation of the fish. On Sept. 19th a joint meeting was held of the Canadian Commission and a State of Washington special Commission composed of Messrs. J. L. Riseland, State Fishery Commissioner, J. A. Kerr, E. E. Ainsworth, T. J. Gorman, and Frank Wright of Bellingham; and A. E. Woolard of Anacortes.

The latter body, as a result of this and other joint conferences, issued a report early in December which urged a weekly close season in the waters of Puget Sound lasting from 6 p.m. Friday to 6 a.m. Sunday in each week; asked for legislation making it unlawful to fish for sockeye salmon in Puget Sound waters between Aug. 25th and Sept. 15th of each year; recommended that during the weekly close season all pound nets and traps operated in Puget Sound should be closed by certain specified methods; declared that the minimum penalty for a violation of the Fishery laws of the State should be $250 and the maximum penalty $1,000, with a penal clause of from 30 days to one year; and urged the State Government to provide an effective patrol of the sockeye fishing grounds. Meanwhile, on Aug. 17th, in the Victoria *Colonist,* Professor Prince outlined the now nearly-completed work of the Dominion Fisheries Commission. In September, 1905, the first meetings of the Commission which were of an executive nature, were held in Victoria, and owing to the very heavy plan of work furnished by the Dominion Government to the Commissioners, it was found necessary to appoint Committees to subdivide the work. The Committees were six in number, the scope of their work being as follows:

1. The Fraser River fishing industry.
2. The Nanaimo herring fisheries, especially with reference to the Scottish curing experiment.
3. The hatchery work of the Dominion and Provincial Governments in British Columbia.

4. The halibut grounds and northern salmon and other fisheries.
5. The West Coast fishery resources and their development.
6. The method of preparation of canned salmon in the Fraser River canneries—regarding which a satisfactory report, showing the cleanly manner in which the fish are put up, was submitted.

Mr. Prince stated that a better Fisheries protection service in British Columbia waters was urgent; that there was absolute need of an increased patrol service; that the northern waters of the Province were wonderfully rich in the best commercial fishes; that the Commission in its meetings at Victoria, Vancouver, New Westminster, Nanaimo and Duncan's had heard a vast amount of evidence from canners, fishermen and others; that in the northern and west coasts of Vancouver Island they had found extraordinary undeveloped resources—notably in shell-fish, herring and black cod; that there was room for the development of a very considerable fish industry in British Columbia with large markets in Japan, etc. An interim Report of the Commission was submitted to the Government and its conclusions made public early in November. Mr. J. C. Brown dissented and submitted minority opinions. The majority recommendations were as follows:

1. That no salmon gill-nets used in the Fraser River sockeye fishing should exceed 60 meshes in depth.
2. That the limitation of the length of salmon gill-nets should be 150 fathoms; that gill-nets privileges for sockeye fishing in the Fraser above the New Westminster Bridge should be rigidly confined to British subjects actually residing in the locality; that no special licenses should be issued except under actual knowledge of these conditions being fulfilled.
3. That in view of the fourth year being usually heavy in its run of salmon a weekly close season should be observed on the Fraser, from the mouth to Mission Bridge, from 6 a.m., Saturday, to 6 p.m., Monday, during the period between July 1st and August 25 in each of the three lean years.
4. That additional patrol officers should be appointed and two fast launches added to the patrol fleet on the Fraser; that the salmon traps be effectively closed during the close season; and that a minimum fine of $250 be imposed for violation of salmon trap regulations.
5. That salmon trap owners be prohibited from holding a site unless the trap be erected and operated for at least one season in four and that an increased fee be charged during the years it is not in use.

Mr. Commissioner Brown protested against the recommendation to make the close time on the Fraser 24 hours longer than on outside waters for the following reasons: "It would subordinate the right of our fishermen to the profit and advantage of Puget Sound fishing interests to an extent which the latter neither asked for nor expected, and in return for which we received nothing. Such unjust discrimination would favour Japanese as against white fishermen; and make it unprofitable for most of the latter who are settled along the river-side to continue in business. Its value as a measure of protection (if it were

necessary, which it is not) would be doubled by reversing it, making the longer close-time outside the river. It was brought before the Commissioners in executive session at almost the last possible moment. There was no opportunity to take evidence in regard to it." Much discussion of the Report followed. A public meeting in New Westminster, on Dec. 3rd, passed vigorous Resolutions of protest and forwarded a Memorial embodying these opinions to Sir Wilfrid Laurier at Ottawa.

In it they endorsed the views of Mr. J. C. Brown; declared the proposed reduction in the efficiency of gill-nets would unjustly discriminate against individual fishermen in favour of the operators of traps; alleged that the suggested protection of salmon traps by meshed aprons would not fulfil the designed purpose; urged that all *bona fide* residents of New Westminster and territory east of the Bridge should have the privilege of fishing in the reserved area if qualified to hold a license; and asked that the Order-in-Council prohibiting sockeye fishing in the Fraser during the whole of the season of 1908 be rescinded. The Board of Trade of this City, had, meanwhile, on Nov. 6th, telegraphed a protest to the Dominion Government. " This Board considers that these recommendations propose mischievous and arbitrary interference with the natural course of the sockeye fishery; that they will not assist in preservation of the fish; and that they discriminate in favour of trap operators, foreign investors and the aliens who carry on the Gulf fishery; and against the permanent white population fishing with gill-nets on the Fraser River." The local Conservative paper—*The Columbian*—took strong ground, denouncing the Commission as a " conspiracy " and the Government as being responsible for proposals which " ruthlessly destroyed " the local fisheries in order " to add to the profits and to suit the convenience of the foreign speculators, who in an evil hour for this district, secured the control of the salmon industry of the Province." The general reply to these objections was the unquestioned fact of a steadily decreasing catch in the Fraser and the gradually depleted resources of a great industry.

II.—DEVELOPMENT OF TRANSPORTATION

Transportation Problems and Policies in Canada

Questions connected with transportation were probably the most discussed feature of Canadian development during 1906. Upon them, indeed, turned the welfare of all the great and varied industries seeking outlets and markets. The phenomenal expansion of railways into and through the Western Provinces; the projected construction of a new trans-continental line; the varied projects for utilizing waterways; and the importance of getting crops out of the West and fuel into the West during certain seasons of the year; combined to make transportation conditions the most vital question before the people and in the minds of the public.

Mr. C. M. Hays, General Manager of the Grand Trunk Railway, and President of the Grand Trunk Pacific, in speaking to the Canadian Club, Toronto, on Jan. 15th, presented his view of the situation. He claimed the railway rates upon this continent to be the cheapest in the world; declared that Canadians could not properly expect, with a limited mileage and population, as cheap rates as were current in the United States; referred to the pressure upon railway managements for costly improvements on the one hand and for lower rates on the other; and urged that railways should not be handicapped in the conduct of public interests which demanded the constant investment of external capital. He advocated the joint development of railways and waterways and a Government policy of aid to transportation on the great lakes—"in the enlarging of the facilities at Port Arthur and Fort William to equal those at Duluth, the provision at Lake Huron and Georgian Bay ports of facilities equally adequate with those at Buffalo, Erie and Cleveland." He supported the proposal for nationalized ports at Montreal, Quebec, Halifax and St. John and made a further statement as to rates:

> The railways are in a position where not only by reason of the waterways, as I have mentioned, but by reason of the struggle for competitive positions between the cities that they serve, they are always in a position of uncertainty as to their rates. The struggle for commercial supremacy, the question as to what port shall handle the largest amount of the export traffic and the question of the equalization and adjustment of these rates, through those ports, keep them on a constantly-descending scale. The struggle between the importer and the manufacturer who is bringing in his raw material—and the same struggle is happening in another direction in the shipping out of their manufactured goods, and the difference that shall exist between raw and manufactured material—keeps the rates in a constant state of adjustment.

The Manufacturers' view of transportation conditions was given at their annual Meeting in Winnipeg (Sept. 18th) when the Railway Committee's Report was presented. The new rates as to car service and demurrage charges, promulgated by the Railway Commission, were described as fairly satisfactory. Classification ratings were elaborately discussed and certain changes suggested. The alleged discrimination on traffic from Eastern Canada to the North Pacific coast and the final action of the Railway Commission in the matter were dealt with. The main portion of the discrimination resulting from the additional rates from Eastern Canada to the Coast over the Eastern United States had not, it was said, been disturbed. The Commission had held that for the distance hauled and the character of the service performed the domestic rates were not unreasonable and that the lower rates of the United States lines were due to competition *via* Panama and Cape Horn, which did not affect traffic from Eastern Canada. It also asserted that the carriage of traffic from United States points by the Canadian Pacific line, at the reduced rates, enabled it to increase the volume of traffic and improve the service for the Canadian shipper.

In the matter of complaints from Eastern manufacturers that the local rates, particularly to Eastern Canadian points, were higher than from adjacent and even more distant points in the United States, it was stated by the Committee of the Manufacturers that the discriminations were not denied by the railways, but were claimed to be neither unjust nor unreasonable. The high rates from the intermediate Canadian points were justified on the ground of sparse population, climatic conditions, volume of traffic, and railway earnings per mile of line. In the main these complaints were accepted by the Railway Commission and the railways were given a period in which to submit a scheme overcoming the discrimination. The Committee recommended and carried a Resolution asking the Government to forbid railway rate discrimination in favour of the United States.

In this connection Mr. E. W. Thomson, a well-known Boston writer of Canadian origin, had an elaborate study of the question of comparative rates between Canada and the United States in the Boston *Transcript* of Feb. 10. He analysed rates upon the Hill system in the States and the Canadian Pacific Railway in Canada—greatly to the advantage of the latter. Manitoba farmers near the international boundary had, he summarized, an advantage of from $2.50 to $7.50 in the value of their lands, over the farmers immediately to the south, through the incidence of cheaper local freight rates. Elaborate figures were given to prove this and other points of superiority for the Canadian system of transportation and the following extract will fairly indicate the writer's point of view:

Were freight rates set strictly according to railway geography, the Minnesota, Dakota and Montana farmers should get their wheat hauled

to Lake water considerably cheaper than could the Canadian farmer at similar longitudes west. That ought to result from the American Lake Superior port of Duluth being near the American prairies. From Winnipeg to Fort William is 427 miles. From Grand Forks, Dakota, nearly due south of Winnipeg, the distance to Duluth is but 300 miles. The Grand Forks wheat shipper might, therefore, reasonably expect a lower rate to Duluth than the Winnipeg shipper gets to Fort William. But the boot is on the other leg. The Winnipeg-Fort William rate is 10 cents per 100 pounds. The Grand Forks-Duluth is 12 cents per 100 pounds. Nearer by 127 miles to this port, the Grand Forks shipper is worse off by two cents per 100 pounds of wheat.

During the year the Toronto *World* steadily urged the policy of a two cent a mile rate for passenger travel on railways. It carried on a vigorous fight with the Metropolitan, Toronto and York (Radial) Railway, running into Toronto, upon the question of charging more than the two cent per mile fare allowed to electric railways under the Ontario Railway Act. On August 16th the Ontario Railway Board issued orders that in future this rate of 2 cents was to be observed. The contention of the Company was that through the commutation tickets regular passengers were really charged 1¼ cents per mile. Mr. W. F. Maclean presented the question to Parliament on July 5th and amplified the varied benefits of cheap travel as shown in the adoption of this rate in a number of States of the American Union. Mr. F. R. Lalor supported the proposal because the lower rate would promote travel, because the country was entitled to share in the great bonuses given by their Governments to the railways, and because he believed that competition and the Railway Commission would prevent any raising of freight rates under the change proposed. Mr. George Taylor opposed the policy because it would benefit the people of the cities at the expense of the farmers who would no longer get their cheap excursions; Mr. A. E. Lancaster contended that freight rates under such conditions would have to go up to enable the railways to meet their obligations; Mr. E. D. Smith thought such a policy arbitrary, likely to compel some roads to operate at a loss, and certain to prevent others from paying dividends. Mr. John Herron supported the Maclean amendment to the Railway Act but it was voted down by 105 to 8. At its meeting in Toronto on Sept. 4th the Farmers' Association of Ontario passed a Resolution in favour of a two-cent passenger rate wherever the passenger earnings should exceed $3,000 a mile.

Upon the general subject of transportation Sir Wilfrid Laurier spoke with enthusiasm at Toronto on Feb. 22nd. It was to him "the question of questions." Not only was the National Trans-continental Line necessary but he believed a third and perhaps a fourth would yet be needed. Too much money had not been put into transportation. He spoke of the settler, the farmer, the markets of the world; the wheat of the West, the future trade with the Orient, the opening up of commerce east and

west across the Canadian part of the continent. "I cannot hope that I have many years to live at the present time, but I hope that I shall live long enough to see the Canadian Pacific Railway and the Grand Trunk Railway passing with trains full of passengers, full of wheat and flour, and bringing back tea and silks and passengers, and transporting them to all parts of the civilized world."

Addressing the Montreal Board of Trade on Jan. 30 its retiring President, Mr. W. I. Gear, spoke of a more specific problem. He first urged the creation of that port as a national free port; advocated the permanent removal of all tolls from the Canals; and then described the shortest and cheapest water route for Montreal as being in the Georgian Bay, French River and Ottawa River Canal project. "This route, if constructed, will shorten the distance between Fort William and Montreal to about the same distance as from Fort William to Buffalo, and it is needless to say that the reduction in freight charges will be in a corresponding measure. This Canal will enable products of the mines and manufacturers in the east to go west, as well as the farm products to come east at the lowest of freight rates. It will compel the railways to double-track their lines between Georgian Bay and Montreal so as to protect their interests, as has been the case between Buffalo and New York; all of which will develop this port and incidentally benefit you. The cost may be heavy but I am of the firm belief that it will repay the people of the Dominion a thousand-fold." Mr. Gear also urged a fast Atlantic Mail Service and the better equipment of the St. Lawrence with aids to navigation.

A British Company had been organized in 1898 under the auspices of Mr. R. W. Perks, M.P., for the purpose of constructing this deep waterway from Georgian Bay to Montreal, *via* Ottawa. The New Dominion Syndicate, as it was called, went to the Canadian Parliament many times and finally, in 1906, had its authorized capital increased to $50,000,000 and its borrowing powers to $100,000,000. The object was to construct a waterway of 22 feet in depth, throughout, with a view to carrying the grain trade of the West through its channels. Much survey work had been done and its plans were stated in London on Oct. 23rd to be ready for submission to the Dominion Government. Mr. J. A. Malcolm, the Manager, explained the project as follows at the meeting mentioned:

> The present trade on the Great Lakes is 50,000,000 tons a year and the bulk of this is *en route* to the Atlantic sea-board. The projected route, it is claimed, would be the cheapest, coolest and quickest, effecting a saving of 72 hours in time and 500 miles in distance. It would also be the most convenient route, as it would preclude the necessity of transhipment and costly handling. It would be a system of international navigation for ocean-going vessels—a waterway created by nature and presenting no physical difficulties—the linking together of existing deep and navigable stretches of lakes and rivers by means of only 33

locks, including double locks. The canalization would be mostly in the vicinity of the locks and at the summit level, and when complete would enable ocean-going steamers of 8,000 to 10,000 tons burden, drawing 20 feet of water, attaining a speed of eight to ten knots an hour, to sail from any of the ports on the Upper Lakes to any European port. Construction would occupy about five years and cost about $100,000,000. By the construction of the Canal the Company would have something like 1,000,000 water horse-power available for the operation of an electrical light plant the whole length of the waterways, and for the Company's other purposes and for sale.

The Royal Commission on Transportation, in favouring national ports, was only one of various contributors to the general discussion as to improved ports and harbours. Speaking in St. John on 1st Feb. Mr. George Robertson, M.L.A., strongly urged the nationalization of that port as did Mayor Sears in his inaugural address of May 1st. A public meeting in Vancouver, on Feb. 1st, also supported the proposal while demanding immediate improvements in the local harbour. During the year Canada was visited by Mr. F. B. Girdlestone, General Manager of the Bristol Docks, England. Addressing the Toronto Board of Trade on Oct. 16th, he handled the inadequate facilities at Montreal and Quebec without gloves. "It was absolutely incredible that the Government could have allowed the St. Lawrence River and the Port of Montreal to remain in their present condition, in view of the rapidly extending commerce of the country. Compared with the importance of that port, the work done in the last ten years seemed actually ridiculous, for there was an absolute lack of accommodation for passengers and facilities for handling the mails and cargo." He urged the Government appointment of a Shipping Commission to visit the great European ports. Of course, he did not go into the local details of the dual control at Montreal which was about to be abrogated.

As to the Lake ports the official figures of shipment (Trade and Commerce Department) from Fort William and Port Arthur during the 1906 season of navigation showed a total of 31,978,335 bushels of wheat, 5,741,564 bushels of oats, 683,759 bushels of barley and 284,924 bushels of flax carried by Canadian vessels with 12,398,003 bushels of wheat carried by United States vessels. The total of all grains shipped from April 17th to Dec. 12th was 51,183,715 bushels in 1906 or an increase of over 8,000,000 bushels over 1905. Of this amount 27,924,429 bushels of wheat and 6,710,247 bushels of other grains went to Canadian ports and 16,451,909 bushels of wheat and 97,130 bushels of other grains went to United States ports. The latter figures showed an increase of 2,700,000 bushels and this enhancement of one of Canada's problems was due, chiefly, to a congestion of traffic at Canadian ports which diverted trade to those of the United States. Upon the other hand the total movement of grain, for the 1906 season, was delayed by the congestion of Canadian railways and this, in turn, was caused or increased by a car

shortage attributed to the coal famine and by an unprecedented demand for cars for the shipment of cattle from the ranges of Alberta and Western Saskatchewan. This cry of inadequate railway accommodation was not, however, confined to the West. Despite the many additions to rolling stock and improvements effected in terminal facilities by the railways the Toronto *News* of Sept. 20th, was able to say of conditions in general that " trains are over-crowded, freight is congested, the business of the roads is hopelessly in arrears." Eventually the difficulties were overcome by the railways, to a considerable extent, but the bounding progress of the country had presented them with a great problem and one not finally disposed of in the year 1906.

An important matter in this connection was the supply of elevators. At the close of the year (Dec. 31) there was reported to be over 17,000,000 bushels of wheat stored in C. P. R. Elevators and 3,000,000 in those of the Canadian Northern. The total storage capacity of the former railway in Manitoba, Saskatchewan, Alberta and British Columbia was officially stated at 25,956,600 bushels and of the C. N. R. in the three first-mentioned Provinces at 5,604,100 bushels. In its Ontario terminals the C. P. R. had a further capacity of 12,130,000 bushels and the C. N. R. 7,000,000 bushels.

There was a revival of discussion as to a fast Atlantic service—mail, passengers, and freight. The Royal Commission urged Government action; Sir George A. Drummond and Lord Strathcona continued to point out its desirability. Mr. Robert Reford presented in the Montreal *Standard* of May 5th and in the Montreal *Gazette* of Oct. 29th, able arguments in its favour. He thought the Canadian and British Governments should place on the Atlantic and Pacific oceans a great national line of steamships running three times a week, to commence with, then weekly, and finally daily. With the weight of an experience and knowledge which had made him Chairman of the Royal Transportation Commission he went on to say (*Gazette*) that " properly managed I feel sure such a service could be run at one-half the expense of equally good services between Liverpool and New York, and the time of transit between all the important cities of Great Britain and also of Europe, with Canadian cities and also United States western cities and the cities of Asia, be reduced one-half—so guaranteeing the financial success of the undertaking."

A matter which aroused discussion in British Columbia was the proposal to build a bridge across Seymour Narrows—to connect by rail the cities of Vancouver and Victoria, the Mainland and the Island. The project was strongly urged by the Victoria *Colonist;* was earnestly presented to the Railway Commission; and was favoured by the Victoria Board of Trade which, on July 6th, approved a Memorial to Sir Wilfrid Laurier eulogizing the Harbours of Victoria and Esquimalt as the best and most convenient for commerce with the Pacific coast of the

United States and the shores of Eastern Asia and describing the coming development of Vancouver Island as well as the approach upon the mainland of two more trans-continental lines. "To provide all-rail connection between Vancouver Island and the mainland, a series of bridges will have to be constructed by which a railway can be carried from the Island at Seymour Narrows to the mainland at the north side of Bute Inlet. The feasibility of this from an engineering point of view has been established and Sir Sandford Fleming in his Report on Canadian Pacific surveys, 1877, said that the development of Vancouver Island alone might make it desirable." It was claimed from other sources that by direct railway communication with the Island a saving of a day and a half at least would be effected in the handling of Pacific trade. The project was not strongly supported by the Victoria *Times*—the Ministerial organ—which suggested that when the Grand Trunk Pacific and the Canadian Northern Railway actually arrived at Vancouver would be a good time to talk of such an expensive undertaking.

Meanwhile, upon the Atlantic coast, a similar question was growing in importance through the demand of Prince Edward Island for better connection with the Mainland—by larger steamers, by uninterrupted winter arrangements, and by the possible construction of a tunnel between the Mainland and the Island. Continuous communication was pledged as a condition of Confederation and had certainly not been provided. The subject was largely debated in the local press as a result of winter storms in 1906 and was discussed in Parliament on May 23rd. The suggestion to apply the British Tariff Preference only to goods coming via Canadian ports also received some further consideration during the year. In 1904 Canada had imported $25,000,000 worth of goods from foreign countries through United States ports; had exported, similarly, a total of $37,000,000; and had imported from Great Britain and other British countries through United States ports a total of over $16,000,000.

Report of the Royal Commission on Transportation

Early in the year the Report of the Royal Commission on Transportation* appointed in 1903 and composed of Mr. Robert Reford (Chairman) and Mr. J. H. Ashdown, Commissioner, was made public. It dealt with most of the problems just referred to. The original instructions had been to investigate the transportation of Western products from place of production: (1) to Canadian sea-ports, (2) to western ports of Lake Superior, (3) from thence to Canadian sea-ports, (4) from the latter point to Europe, (5) to Canadian ports on the Pacific. In the second place the products of the Eastern Provinces were to be observed in their movements to the sea-ports and from thence to Europe. These studies were to be followed by a comprehensive inquiry into: (1) the conditions of original shipment,

* NOTE—See *Canadian Annual Review* for 1903. Pages 431-2.

(2) the storage requirements of lake, river and ocean ports, (3) the harbour facilities of these various waters, (4) the question of improvements, etc., in the St. Lawrence River route. Connected with these problems was the question of United States railway competition; that of competition by United States vessels from Lake Superior ports; that of the diversion of Canadian products through Eastern outlets to Boston, Portland and other United States ports.

During the three years of their appointment the somewhat fluctuating membership of the Commission, with Messrs. C. N. Bell of Winnipeg and J. X. Perrault of Montreal as Secretaries, visited all the Provinces of the Dominion, a great many of its more important harbours, the canal systems of the Great Lakes, and the St. Lawrence waterway. Some interesting facts, as well as conclusions, were brought out in the Report finally submitted to the Government. In 1900 the number of elevators and warehouses west of Lake Superior and including Fort William and Port Arthur was 533; in 1905 it was 1,026. The storage capacity increased from 18,897,333 bushels to 46,918,000 bushels in the same period. It was stated that the United States had found the Lake Superior ports so useful to its western grain trade as to compel an expenditure—largely in the last ten years—of $8,000,000 upon the harbours of the Lake; that freight rates between Duluth and Buffalo had decreased greatly between 1867 and 1904; that Fort William and Port Arthur held the same relative position toward the Canadian West as Duluth and Superior did to the American West. A strong necessity was said to exist for a more thorough equipment, a considerable reduction of grades, and a general improvement of road-beds and facilities upon the railway lines running from Depot Harbour and Midland, on Georgian Bay, to Montreal. The elaborate conclusions and lengthy recommendations of the Commission may be summarized as briefly as possible in the following paragraphs:

1. That the law requiring railway companies to provide for private shipments of grain—loaded directly on the cars—has been of great benefit to shippers.

2. That when the Grand Trunk Pacific is built and the extensions or improvements on the Canadian Northern Railway are completed "there will be, for the present, sufficient means for transportation of the products of the West seeking eastern ports"—subject to sufficient equipment being provided and the extension of branch lines into new districts carried out.

3. That the proportion of the exportable supplies of the crop which is moved east of the great lakes should be increased from the present average of 46 per cent. to not less than 65 per cent; and that to this end the proposed double-tracking of the Canadian Pacific Railway should be completed, the shed accommodation at Fort William increased, and a more ample supply of cars and locomotive power be provided in the West.

4. That the ports of Fort William and Port Arthur should be enlarged and improved on a broad and comprehensive plan; that they should be considered and treated as one harbour; that the Dominion Government should purchase, expropriate, or otherwise obtain, all lands held by the Province of Ontario, or either of the two towns, on the har-

bour's front of Port Arthur to be held and administered for the public benefit.

5. That the entrance to the channel at the Canadian end of Sault Ste. Marie should be widened and other improvements effected in the River together with the Government purchase of such land as may be necessary for the future construction of another canal.

6. That the Port of Midland should serve as the port of the Trent Valley Waterway, which should also be completed at an early date.

7. That the Intercolonial Railway should be extended to Depot Harbour on Georgian Bay either by way of running rights over the Canada Atlantic or otherwise.

8. That a Board of Engineers be appointed to lay out the harbours of Depot Harbour and Midland on a broad, comprehensive plan ; that the Dominion Government construct a system of elevators at each of these ports ; and that the harbours of Meaford and Collingwood be deepened so far as necessary.

9. That a south-eastern breakwater should be built at Port Colborne and the other improvements at that point pushed to completion.

10. That the following routes should be taken and considered as the main Canadian route by which the products of the West will reach ocean navigation :

(1) Via Midland, including the Grand Trunk Railway (double-tracked as Mr. Hays proposes), the Trent Valley waterway and, in all probability, the Canadian Pacific Railway.

(2) Via Depot Harbour, including the Canada Atlantic and Intercolonial railways ;

(3) The all-water route, via either the proposed French and Ottawa River Canal system or the enlarged Welland Canal.

11. That an effort be made to unite with the United States Government in adoption of a uniform system of signals upon the great lakes.

12. That the standard depth of water in all harbours and waterways connected with the great lakes, down to the foot of Lake Erie, should be 23 feet zero and that the deepening of the harbours of Port Arthur, Fort William, Depot Harbour, Midland and Port Colborne be at once commenced.

13. That a number of specified aids to navigation—buoys, lights, fog-whistles, etc.—be established in the great lakes.

14. That legislation should be obtained providing for the appointment of a Commission with full powers to manage, control, and operate the Intercolonial Railway.

15. That certain specified improvements should be made in the Harbour of Toronto—dredging, extension of piers, etc.; and that in the St. Lawrence River and Gulf below Montreal new lights and buoys, improved medical inspection, Marconi telegraph stations, new surveys, more fog-signals, sweeping of the river channel, etc., should be carried out.

16. That the Port of Montreal is and should be treated as "the chief Atlantic summer port of the Dominion," and its harbour be controlled by the Government and laid out upon broad and systematic lines ; that a branch of the Grand Trunk Pacific should be built from the main line to Montreal ; that a local Admiralty Court should be established ; and that additional elevators should be provided by the Government bringing the capacity up to a possible 10,000,000 bushels.

17. That a marine ship railway be constructed at Sorel ; that the wharves at Three Rivers be pushed to completion ; that the breakwater at Quebec should be extended 1,400 feet in a northerly direction ; that certain lands east of the Intercolonial Railway docks at St. John be acquired by the Government ; that similar lands at Halifax be obtained for future needs and the Intercolonial Railway between Richmond and that point double-tracked ; that the harbour at Pictou be made available for vessels drawing up to 30 feet of water ; that the wharves at Sydney should be similarly deepened for 35-foot requirements.

18. That all pilots operating on Canadian waters or into Canadian ports should be under direct Government control, annual examination, and strict rules and regulations.

19. That the Government policy of canals free of tolls should be continued.

20. That the Grand Trunk Pacific Railway should be constructed, from Quebec to Moncton, by "the most direct route," and the question of reducing grades and curves on the Intercolonial Railway running from Moncton to St. John, Halifax, and Cape Breton should be considered by the Government.

21. That legislation be obtained providing for a system of national ports and including the Government control of railway tracks on Government docks with the acquisition by the Government of such lands as may be necessary to this end. Such ports to include the following:

Fort William,	Port Arthur,	Midland,
Depot Harbour,	Port Colborne,	Kingston,
Montreal,	Quebec,	St. John,
Halifax,	Sydney,	Vancouver,
Victoria,	Prince Rupert,	Pacific terminus, C. N. R.

22. That a much-improved Atlantic steamship service is now justifiable and desirable for the carrying both of passengers and perishable freight.

23. That Lake Winnipeg should be properly charted, the Red River cleared of snags and boulders to the United States boundary and the Assiniboine cleared and dredged so as to make its "stretches" portion navigable.

24. That a Government survey of Peace River and the Grand Rapids and other parts of the Saskatchewan should be made.

25. That arrangements should be made with the Canadian Pacific Railway for surrender of such parts of the Vancouver water-front as will allow of free access and use of the port and that by purchase, expropriation, or negotiation, similar results should be obtained on Burrard Inlet and False Creek.

26. That exhaustive explorations be made to ascertain the best route from Alberta to an ocean port on the west side of Vancouver Island; that in the event of a bridge being built at Seymour Narrows the necessary land and approaches be owned and controlled by the Dominion authorities; that regulations governing pilotage in British Columbia should be amended; that such lands be acquired by the Dominion on the water-front of Victoria as are necessary to keep it free to all interests.

27. That in view of the principle already affirmed of Government ownership and control of lands usable in connection with navigable waters, "it is especially desirable that in establishing a harbour at the deep-water Pacific coast terminus of the Grand Trunk Railway, as also of the Canadian Northern Railway, that such railways be allowed to own and retain only such amount of the water-front as is reasonably necessary for navigation in connection with their respective systems."

This Report covered most of the Transportation problems of the moment though it offered no recommendation as to United States competition in water routes except the general one of improving Canadian waterways. Nor did it suggest a remedy for the competition of United States ports except the indirect one of urging the establishment of national ports in Canada with better facilities. The questions treated in the document were discussed in Parliament on April 25th. In presenting the matter Mr. W. H. Bennett of Midland dealt at length with the United States

system of encouraging waterways and under which 140,000,000 bushels of grain were received at Buffalo in 1905—of which some 10,000,000 bushels were from the Canadian West. As for Canada: "A long time ago the essential fact of the need for the utilization of waterways was seized upon and the Welland Canal system was taken in hand by the Government of the day, and what was known as the St. Lawrence and Welland Canal system, was made a practical success. Year by year, that route has been improved, the policy of deepening the Welland Canal having been approved by all parties, I believe, without any considerable adverse comment. The result is that after an expenditure of $70,000,000 we have a system of waterways from the head of the Lakes to Montreal and so on to Quebec, and from there direct to Liverpool." Then came the railway development—Grand Trunk, Canadian Pacific, Canadian Northern and Grand Trunk Pacific.

He denounced the United States coasting laws and other discriminations against Canadian shipping; urged the establishment of Midland as a national port and demanded some policy by which the Canadian water-routes should be encouraged. "Why," he asked, "should we not carry grain as cheaply through that system as to Buffalo and then to the sea-coast? The distance from any point west of the great lakes to Buffalo is slower and longer running than the distance to the Port of Midland. A consultation with the map will demonstrate that and it must be remembered that on the route to Buffalo the vessels have to slow down both near Sarnia and when approaching the Flats near Detroit; whereas on the route to Midland vessels can go from 14 to 16 miles per hour continuously from the time they leave one dock and arrive at the other. On the other hand the distance from Midland to Montreal is similar to the distance from Buffalo to New York or some other ocean port." Mr. R. R. Hall of Peterborough, analyzed the possibilities and position of the Trent Valley Waterway; and urged the milling of Canadian grain in Canada.

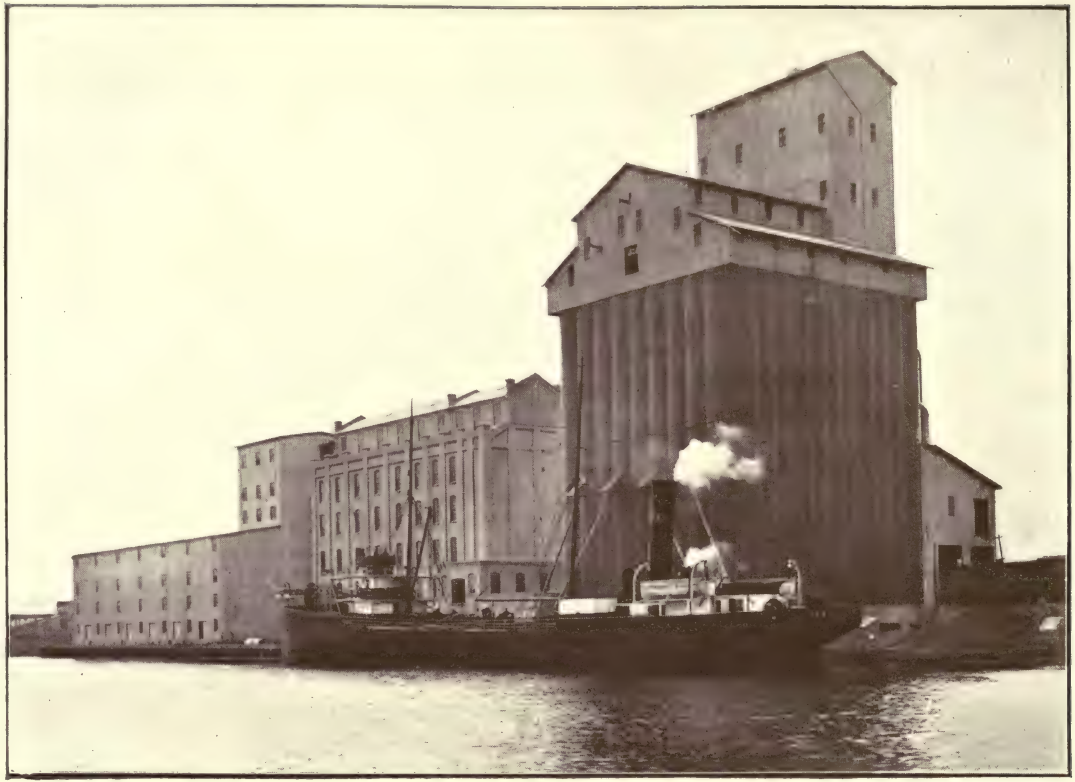
Work and Policy of the Canadian Railway Commission

The work and opinions of the Royal Transportation Commission have already been dealt with; those of the Board of Railway Commissioners for Canada must now be indicated. Composed of Mr. A. C. Killam, K.C., a former Justice of the Supreme Court of Canada, as Chief Commissioner; the Hon. M. E. Bernier, formerly Minister of Inland Revenue, as Deputy Chief Commissioner; and Mr. James Mills, LL.D., formerly President of the Ontario College of Agriculture; it issued during 1904 orders numbering 304, during 1905 538 orders and during the first half of 1906 414 orders. The applications received during this entire period numbered 495 and were heard at public sittings. Amongst the more important matters dealt with was the request by the Canadian Pacific Railway to approve a

standard passenger tariff upon its line from Guelph to Goderich involving a possible charge of 3⅓ cents per mile; and the allegation of the Canadian Manufacturers' Association that the Railways were trying to evade the Commission's orders as to difference in rates between Canadian and United States roads from the West and the East and were asking the American roads to increase their rates instead of themselves preparing to lower the Canadian rates. The Dominion Commercial Travellers' Association complained of the unsanitary conditions of many railway stations and asked for an Inspector; the City of Woodstock, Ontario, appealed to the Board upon the matter of open crossings; the crossing of an Electric railway running from Windsor to Essex was presented as a matter of intense irritation to the latter town. Such were a very few of the many matters which it was stated had almost swamped the Commission with work. The exact functions and duties of this important body were described by Chief Commissioner Killam in an article in the *Railroad Gazette* of New York, May, 1906, as follows:

> The powers and duties assigned to the Board are numerous and of varied character. Before building is begun, location plans must be approved by the Board. Leave to cross highways or other railroads must be given by the Board, and the Board must determine what precautions, if any, shall be taken at such crossings and whether they shall be made at grade, or overhead, or underneath. Lines or wires for telegraphs, telephones, for the convenience of light, heat, power or electricity, cannot be carried across railroads without the leave of the Board, which establishes the precautions to be observed. Before a railroad is opened for traffic it must be inspected by an engineer, and its opening authorized by the Board. The Board is authorized by general provisions to order a railway company to do anything required by statute, and to forbid the doing or continuing of anything contrary to statute. The Board is made a court of record, and is given full jurisdiction to hear and determine all matters whether of law, or of fact; and, as respects the enforcement of its orders and other matters, it is given all such powers, rights and privileges as are vested in a Superior Court. The decision of the Board on any question of fact is binding and conclusive upon all companies and persons and in all courts. There may be an appeal from an order of the Board to the Supreme Court of Canada on any question of law, under certain conditions. An unlimited right of appeal from the Board to the Governor-General-in-Council is given. The Board may exercise its jurisdiction on complaint of any party interested or it may of its own motion, and is obliged at the request of the Minister of Railways, to inquire into and hear and determine any matter or thing which, under the Act, it might inquire into, hear and determine on application or complaint.

By legislation, which passed the Dominion Parliament in its 1906 Session, Telephone and Express Companies were also placed under the jurisdiction of the Railway Commission and provision was made for connecting independent Telephone Companies and trunk lines. On Jan. 25th the Board issued an order abolishing Railway tolls, or charges levied for delay, or additional time used in the loading or unloading of cars—whether under the name of demurrage, car rental, or car service. New rules were issued in



The New Mills at St. Boniface, Manitoba, of the Western Canada Flour Mills Company.

this connection which the Toronto *World* (Dec. 11th) claimed to do the exact opposite of the above and to legalize demurrage as a charge. The Board met frequently and in widely-scattered centres during the year. At Ottawa on March 6th it heard a complaint from the Boards of Trade of British Columbia as to alleged discrimination in rates between Vancouver and interior points as far east as Calgary on the main line of the Canadian Pacific Railway, to Macleod on the Crow's Nest branch, and into the Kootenay District. Mr. Joseph Martin, K.C., appeared for the complainants and the Hon. A. G. Blair for the C. P. R.

At Toronto, on May 29th, gentlemen representing the Toronto Board of Trade appeared before the Commission. Representatives of the Grand Trunk Railway and Canadian Pacific Railway were also present. The Board of Trade wanted a revision of existing freight rates which, they claimed, discriminated against Toronto merchants in favour of Montreal, Hamilton and other cities. Mr. Peleg Howland presented an elaborate statement with many figures which helped to prove this contention. Witnesses of all kinds—practical railway men, merchants, wholesale dealers, shippers, etc.—were examined. The railway argument, in the main, was the increase of taxation (in Ontario 1,200 per cent. since 1901), the enhanced cost of soft coal and materials for construction, etc., and the effect of water competition. It was claimed to be impossible to lower rates under existing conditions. The railways were represented by Hon. A. G. Blair, F. H. Chrysler, K.C., and M. K. Cowan, K.C., and some of the officials examined were Messrs. George Olds, J. W. Lond, John Pullen and W. R. MacInnes.

Though a general judgment was not delivered the Board, on July 3rd, decided upon a specific complaint regarding rates for wall-paper and ordered that tolls for eastbound traffic be reduced to the amounts in tariffs for similar traffic westbound between the same points. They considered that charging higher tolls for the traffic in question from Toronto eastward, than were charged for similar traffic westward, constituted an unjust discrimination against Toronto shippers and that the tolls should be equalized. It was decided at the same time not to issue an order compelling an interchange of traffic between the Grand Trunk Railway and the Hamilton Radial Electric Railway Company and it was ordered that the James Bay Railway be allowed to cross a Grand Trunk spur line near Toronto. On Aug. 21st Mr. Killam and Dr. Mills were in Dawson investigating charges as to exorbitant rates on the White Pass and Yukon Railway. It was claimed on the one hand that excessive freight rates were preventing the working of a vast area of low-grade ore and on the other side that the tariffs were reasonable under the circumstances with, in any event, no jurisdiction by the Railway Board over the river division of the Railway and upon 20 miles of the road running in United States territory.

A Session was held in Edmonton, Alberta, on Sept. 10th, with Messrs. R. B. Bennett, K.C., and F. W. Peters representing the Canadian Pacific, Mr. G. H. Shaw the Canadian Northern and Mr. F. T. Fisher the Associated Boards of Trade. Protection of local crossings, the functions of fire-guards along the railways, the reduction of passenger rates, and the settlement of claims against railways, were some of the matters presented. The Board sat in Winnipeg on Sept. 21st and heard cases dealing with the request of the Midland Railway to cross the C. P. R. tracks near the city; the manufacturers' complaint as to switching charges; the complaints of the local Board of Trade as to bills of lading, forms of release and flag stations; the application of the Qu'Appelle and Long Lake Valley Railway for a crossing at Regina.

On Nov. 21st the Board was in Woodstock, Ontario, hearing local complaints as to railway crossings. On Dec. 20th various decisions were issued at Ottawa. One required Telephone companies to keep their tariffs on file for public inspection; another amended the regulations regarding the use of derailing and other signals, and the speed of trains, at the crossing of another railway or where a railway crosses a drawbridge. In Ontario the Canadian Pacific was authorized to cross the Grand Trunk (belt line) tracks at Toronto with a double cross; the C. P. R. was granted leave to build an overhead bridge in Sudbury; and the G. T. R. to build a branch line along Elgin Street, Orillia. During the year the Toronto *World* had a long series of articles dealing with the actual, the assumed, or the possible duties of the Commission and touching upon questions such as alleged discriminations, railway controversies, alleged freight and passenger combination to keep up rates, standard, special and competitive tariffs, the question of equalizing rates in Ontario, the evils resulting from a shortage in cars.

The Ontario Railway and Municipal Board

By the terms of the Ontario Railway Act which came into operation on June 1, 1906, after being passed through the Provincial Legislature upon the initiative of the Whitney Government, the Ontario Railway and Municipal Board was created. The Chairman was to receive $6,000 per annum, and the other two Commissioners $4,000 each and the Secretary $2,000. The Commissioners were to hold office at the pleasure of the Government and to devote their whole time to the work and they were debarred from holding stock or benefiting in any financial way from sources directly or indirectly affected by the objects or work of the Board. The Board was given wide powers in regard to railways—chiefly electric—under Provincial jurisdiction and incorporated, or to be incorporated, operating or to be operated.

Its powers included the enforcement of agreements between railways and municipalities; decisions when amicable agreements as to the entrance of radials, etc., could not be reached; and in gen-

eral, the carrying out of the provisions of the new Provincial Railway Act. In respect to enforcing the Act the Board had all the powers of the High Court of Justice. The decisions of the Board on questions of fact were to be final. Appeals on questions of law or jurisdiction could be made to the Court of Appeal only. The Government had no power to reverse findings or decisions, or to interfere in any way with the Board's work. The municipal powers of the Board were the hearing of certain assessment appeals; the power formerly conferred upon the Government in respect to deciding as to adding or taking territory from municipalities; the confirmation of municipal financial by-laws and by-laws relative to highways, bridges and public utilities. The Board could act, when requested, as arbitrator in the case of threatened railway strikes.

On June 12th the Commissioners were sworn in at Toronto—Mr. James Leitch, K.C., of Pembroke as Chairman with Mr. Andrew B. Ingram, M.P., of St. Thomas and Mr. H. N. Kittson of Hamilton as the other Commissioners. Mr. H. C. Small was appointed Secretary. Elaborate rules and regulations governing the procedure of the Board were issued on July 14th. Criticism was offered by the Toronto *World* as to the judicial style assumed —apparently based upon the precedent set by the Board of Railway Commissioners; and by the Toronto *News,* on Aug. 14th, for not taking immediate action to compel the Metropolitan (Radial) Railway to operate under the legal two cent rate for electric roads.

The Board, however, soon got down to work. The order was given to the Metropolitan Railway to run its line at the legal rate. On Aug. 18th various complaints were heard, reports given as to recent accidents, etc., and decision rendered in the matter of a township in Huron County which wanted and was granted $3,582 out of the Municipal Loan Fund. The London Street Railway strike was the first Labour question dealt with and on August 20th a somewhat lengthy decision was announced upon all the points at issue. The Report was unanimous except upon the re-instatement of certain men which the Board refused to order although Mr. Ingram favoured it. On Sept. 7th the application of Mr. John Brown for leave to sue the Toronto Street Railway was refused although no direct decision was given as to the point raised of legality in the running of Sunday cars at Toronto Junction. The Hamilton Street Railway strike was the occasion of another and an important intervention by the Board in Labour affairs. After the struggle had reached its climax the different disputants decided, on Nov. 28th, to agree "to refer all matters and disputes" between them to the Commissioners. Two days later the judgment was given as follows:

The Board, in order to serve the comfort, convenience and best interests of all classes of the community hereby orders the strike off and orders and directs all the men now out on strike to return to their

respective employment and also orders and directs the Companies to receive the men back, and the Companies are forthwith to put a complete service in operation. The Board further awards, adjudges and directs said parties to sign and execute the agreements, copies of which are hereto annexed. The Board further awards that each of the said parties should pay his own costs of this reference.

On Dec. 10th, a decision was given in the appeal of the Canadian Pacific Railway against the Municipal assessment of the town of Galt. The Board disallowed this business tax of $1,500 on the ground that a steam railway was not liable for that form of local taxation. Decision was also given against the similar taxation of a bridge belonging to the Railway Company. The Board then fixed the local taxation at $20,000 in place of the $32,000 against which the C. P. R. had appealed.

General Railway Conditions and Development

It is rarely that such an actual expansion, or prospective development, in transportation facilities takes place as was shown in Canada during the year under consideration. Previous railway eras had occurred in the "fifties" when the Grand Trunk Railway was being evolved and in the "eighties" when the Canadian Pacific was being constructed. Now the Canadian Northern Railway promoters had entered upon another stage of their remarkable enterprise from tiny beginnings to trans-continental proportions; the Grand Trunk Pacific was well under way in surveys, contracts and preliminary construction; the projects of Mr. J. J. Hill were upon every man's lips and, in actual fact, were springing into being all through the West. At the close of the year it was authoritatively estimated* that $62,000,000 had been expended upon railway development during 1906 of which about $44,000,000 was upon construction and the balance upon equipment; that 3,314 miles of new railway were then under construction representing an expenditure by the Canadian Pacific of $23,000,000, the Canadian Northern of $15,000,000, the Grand Trunk of $7,000,000, the Great Northern Railway (Mr. Hill) of $10,000,000, and the Temiskaming and Northern Ontario of $2,000,000.

Such undertakings as these, such a heavy expenditure of money, such an ambitious building up of the country, could not but make this line of development the most prominent and, in its actual progress, the most marked in Canada's record of the year. The direct expenditure of money meant much to the general prosperity; the coming completion of direct overland routes meant much for future home-trade; the possibilities in over-seas communication meant much for future world-commerce. The Montreal *Star*, of June 20th, calculated that at that date there were 5,737 miles of road under actual or prospective construction and involving an expenditure of $100,000,000; while the Montreal *Financial Chronicle* estimated that there were 10,000 miles of additional construction contemplated for 1907.

NOTE—Toronto *Globe*, December 26th, 1906.

According to the official Report of Mr. M. J. Butler, Deputy Minister of Railways and Canals, the miles of road in operation upon June 30th, 1906, were 21,353 as against 20,487 in 1905. The mileage of the completed, as distinct from operated, railways was 21,518—an increase in the year of 917 miles. The paid-up capital of these roads was $1,332,498,705 or an increase of $83,832,291; the gross earnings totalled $125,322,865 or an increase of $18,855,666; the working expenses were $87,129,434 or an increase of $7,151,860; and the net earnings were, consequently, $38,193,431 with an increase of $11,703,806. The number of passengers carried was 27,989,782 or an increase of 2,701,059; the freight traffic amounted to 57,966,713 tons or an increase of 7,072,756 tons. The rolling stock comprised 2,477 cars for passenger service, 91,276 cars for freight service, and 6,161 cars for operation and maintenance purposes. Of these 86,442 were equipped with air-brakes and 91,182 were fitted with automatic couplers. The locomotives numbered 2,931. The accident returns showed a total of 361 persons killed of whom 16 were passengers; 1,365 injured of whom 233 were passengers.

At the close of the fiscal year there were 814 miles of electric railways—chiefly street-car lines—completed and of these 811 miles were laid with steel rails and 195 miles double-tracked. The paid-up capital of these roads was $63,857,970 of which municipal aid amounted to $173,000. The number of miles in operation was 814 or an increase of 21 miles. The gross earnings aggregated $10,966,872 or an increase of $1,609,747; the working expenses were $6,675,038 or an increase of $756,844. The net earnings were, therefore, $4,291,834 or an increase of $852,903. The number of passengers carried was 237,655,074 or an increase of 34,187,757; and the freight carried amounted to 506,024 tons. The accident returns showed 47 persons killed during the year of whom 12 were passengers.

It will be noticed that there was a substantial increase in practically every branch of railway business and yet the latter half of the prosperous calendar year was, of course, not included. In 1905-6 the sum of $1,637,574 was paid by the Government to subsidized railways—making a total cash payment of $31,229,-885 since 1883. Some of the lines thus aided in the fiscal year 1906, under preceding contracts, were the Canadian Pacific branch from Kootenay to Arrowhead, B.C., $89,076; the Nicola-Similkameen Coal and Railway Company $110,592; the Quebec and St. John Railway $86,016; the Restigouche and Western Railway, N.B., $50,070; the Halifax and South Western Railway, 176,512; the James Bay Railway, $651,264; the Middleton and Victoria Beach Railway, N.S., $50,303—the three latter being Mackenzie and Mann Lines. The most notable of the new subsidy contracts entered into were with the Kootenay Central Railway from Golden, B.C., to the International boundary, 186 miles; the Mabou and Gulf Railway from Mabou Coal Mines to the

Intercolonial Railway, 34 miles; the Kettle River Valley Railway from Grand Forks, B.C., 50 miles up the Kettle River; the Klondike Mines Railway from Dawson, Yukon Territory, to Stewart River, 84 miles; the Midway and Vernon Railway from Midway, B.C., to Vernon, 150 miles. The Railway subsidies voted at the Parliamentary session totalled $9,399,900. The Government's Railway expenditure for the fiscal year totalled $15,732,812 and of this $6,102,565 was charged to capital, $7,893,653 to revenue and $1,736,593 to income. An important incident in this Department was the creation of a position termed Comptroller of Railway Statistics and the appointment of Mr. J. Lambert Payne to fill the post.

One of the questions of the day—especially in Toronto—was the admission of radial or electric railways, running from neighbouring towns and villages into the city, and the use of the latter's streets. The Ontario Railway Act of 1906 provided for the situation but some of its clauses aroused different interpretations. The question was further complicated by the rights or claims of the Toronto Street Railway which, in fact, had absorbed one of the chief radial lines. On April 25th, the City authorities received a largely-signed Memorial asking them "to take up the question of the entrance of radial lines into the city, so as to facilitate the interchange of freight and passengers between the surrounding country and the different parts of the city. Those acquainted with the cities of the United States and their manner of doing business and also in our own City of Hamilton, know of what tremendous advantage it is to the city when facilities are given for the radial lines to arrive at the centre of the city." The long-standing local controversy between the City and the Street Railway Company was another element in the problem which had not improved by the end of the year. It involved law suits, questions of routes and the number of cars, extension of lines and insufficient general accommodation for the public. The Toronto *News* took an especially strong stand against the Company in a series of editorials and, on Dec. 18th, a letter vigorously defending the President (Mr. Wm. Mackenzie) appeared in its columns from Mr. R. J. Fleming, the Company's General Manager.

The smaller, but none-the-less important, railways of the country developed in various directions during the year. The Quebec and Lake St. John line extended to nearly 800 miles in length including a new branch to La Tuque on the River St. Maurice. Its further extension to James Bay was also discussed. On July 4th the Klondike Mines Railway, connecting Dawson City with an outside point some 25 miles below Bonanza, was opened for traffic. The Delaware and Hudson Railway Company continued its extension into Quebec by work upon the projected South Shore line from St. Lambert to Lévis. The Quebec Bridge across the St. Lawrence, which is to be a connecting link of the Grand Trunk Pacific system, made excellent progress toward

completion at a nominal cost up to 1906 of some $8,000,000. The Quebec, Montreal and Southern Railway on Nov. 5th gave an order to the Canadian Car Company for 1,500 steel under-frame box cars at an estimated cost of $1,750,000. The Fording Valley Railway Company started building 100 miles of road in Alberta and British Columbia independently of existing corporations. The large lines were, meanwhile, building many branches and, in the West particularly, the Canadian Pacific, the Canadian Northern and the Hill interests competed with each other in an effort to supply the growing demands and requirements of that region.

The Intercolonial Railway and the Country

The condition of this Government-owned and controlled Railway received the usual amount of criticism and defence during the year. One of the chief features of the Royal Commission's Report had been the recommendation that the road be extended from Montreal to Georgian Bay and be given into the charge of a non-partisan Commission. Meanwhile, Mr. Emmerson, Minister of Railways, had been compelled to meet the large deficits of 1904 and 1905. He did so by advancing the rates and making changes in many directions. The car service was re-organized, an attempt was made to cheapen the prices and handling of coal, a new accounting system was installed, passes were greatly restricted in number, the block system was modified so as to lessen the number of employees, closer supervision of details was arranged for, shop equipments, etc., were improved, the passenger train service was adjusted. Other steps were taken and helped, no doubt, by the general prosperity the Railway changed its financial condition. The following were the official figures for three years ending June 30th:

	1904.	1905.	1906.
Passenger Traffic	$2,021,568	$2,105,060	$2,297,716
Freight Traffic	4,041,122	4,373,178	5,019,805
Mails and Sundries	276,341	305,277	326,307
Total Revenue	$6,339,031	$6,783,515	$7,643,828
Working Expenses	7,239,982	8,508,826	7,581,914

This showing was a most agreeable one for the Railway, for the Minister, and for the Government. On the other hand it was contended that all railways on the continent had showed increased revenues and that others had reduced their freight and passenger rates instead of increasing them. On March 13th Mr. Emmerson made his annual statement in the House of Commons dealing with the figures for the fiscal year 1905; explaining the special causes of the deficit in that year and including its unprecedented storms; stating the net deficits of the road since its operation by Canada at $7,888,517; giving the standing reasons for financial difficulty in the matter as the long route, the water competition by the St. Lawrence and along the coasts, the low rates; indicating better conditions for the first half of the current fiscal year;

describing the reforms which he and his Deputy (Mr. M. J. Butler) had tried to effect; deprecating the political influence which he admitted was possible and which some years before had been too rife; declaring the Railway to be the best of Canada's assets and a safeguard and regulator of general transportation charges. Upon one other important point he said:

> It is said that we propose to sell the Intercolonial. I want to say that the Government of Canada, as now constituted, have no intention of disposing of the Intercolonial Railway, and they are determined to maintain it in its entirety as a portion of the transportation system of Canada in its present status; but in so doing, they are equally determined that it shall be a paying asset of Canada even though it was not located as a commercial railway and even though it was constructed with regard to the interests of the Empire and to political exigencies. It was a military road; we have been endeavouring to make it a commercial, a business road. We are reasonably successful in that and I venture to say that the time is near at hand when the Intercolonial Railway will demonstrate itself to be not merely a surplus-gathering work for the profit of the pocket of the people, but that in its book-keeping, and in the excess of receipts over expenditure, it will show a balance on the right side of the account.

The Hon. J. G. Haggart followed in a severe Opposition onslaught upon the management of the I. C. R. during the past 10 years of Liberal administration. General extravagance and bad management were the essential points of his speech. He was supported by Mr. G. W. Fowler and replied to by Mr. H. J. Logan. The estimates were discussed later in the Session and, on June 11th, Mr. Emmerson declared it necessary to improve the terminal facilities at Halifax in order to secure Newfoundland and West Indian traffic to that port. At the same time he announced the probability of a substantial surplus for the fiscal year 1906. The Opposition criticism of the Minister's policy was the claim that while Mr. Emmerson, operating 1,445 miles of road, earned $7,610,000 in 1906, Mr. Blair, in 1903, with 1,315 miles of road received $6,324,323, and Mr. Haggart (Conservative) in 1893, with 1,142 miles of railway, earned $3,065,499 and had a small surplus, with lower rates for freight and passengers. It was said that 1901 and 1905, which were the worst years in the matter of deficits, were election years; while it was pointed out that over $25,000,000 had been expended upon capital account between 1897 and 1906.

Mr. Emmerson did not carry out his changes or reforms without criticism. The employees objected, vigorously, to the various restrictions in passes; some conductors objected to the close checking done by travelling auditors; the citizens of Sydney denounced the taking off of the express from Halifax on the alleged ground of lack of patronage; and the Halifax Board of Trade joined in wiring the Minister a strong protest. In this latter matter Mr. Emmerson told the press on Jan. 19th that "the very great financial loss incurred by the I. C. R. in running these two trains

should be cut off at least during the winter season. In the second place, no Company with the traffic offered, would operate two trains. Places like Sault Ste. Marie, Fort William, Port Arthur, and many other industrial centres were obliged to be content with one train a day." Meantime he was working on a plan for retiring allowances to the employees of the road and, in December, it was said that a Bill would be introduced in Parliament at an early date giving effect to this policy.

In August the Minister, accompanied by Mr. Butler and other officials, made a tour of investigation. At Moncton, on August 13th he laid the corner stone of the new I. C. R. shops in place of those which had been destroyed by fire on the preceding 25th of February, with heavy losses and the death of one employee. Speaking to the Canadian Club, Ottawa, on Nov. 3rd the Minister said that there would be a still bigger surplus this year and the succeeding year. The day of deficits was over but he protested against any idea of the I. C. R. being a big dividend producer. Little criticism, he said, was heard of Canadian expenditures except in respect to railway subsidies, and there would not be so much harsh criticism of the Intercolonial Railway if it were but properly understood. " By ordinary railway tests it had been a failure. In reality it had been a splendid success. It had not paid dividends but its surpluses were in the pockets of the Canadian people. It had welded the Provinces together and had prevented disruption." At the present time Western Australia was desirous of withdrawing from the Commonwealth because proper railway facilities had not been supplied. That is exactly what would have happened in the Maritime Provinces had not the Intercolonial Railway been constructed. On Nov. 2nd the appointment was announced of Mr. S. Leonard Shannon as Controller and Treasurer of the Government Railways.

The Temiskaming and Northern Ontario Railway

As the first Railway, built and owned and operated by a Provincial Government in Canada, the T. & N. O. was a source of much comment and public consideration during 1906. Originating in the policy of the Ross Government the project had been improved upon and carried toward completion by that of Mr. Whitney. By the end of 1906 it extended from North Bay to Englehart—a distance of 138 miles with possibilities of further extension north to James Bay or Hudson's Bay. Through its junction with the Grand Trunk this would give direct connection by rail from Toronto to Hudson's Bay. Upon this point the Toronto *Globe* of May 26 said: " The Railway must eventually be extended to James Bay. There is no doubt that such a connection with the southern portion of Hudson's Bay would not only mean much to Ontario from a material point of view, but it would give the strategic advantage in any disputes which might arise as to division among the Provinces of territory around the Bay. To

stop short of an extension to James Bay would be a somewhat sorry *finale* to an enterprise which bids fair to continue a steady paying investment to the Province."

The opening up of Northern Ontario by this Line—present and prospective—was one of the great developing factors of the year. Though its construction pledged the Provincial Government to a total expenditure estimated as high as $12,000,000 yet it was generally felt that the splendid country which it traversed and helped to develop would warrant the policy adopted. In its agricultural resources, forest wealth, and mineral production, to say nothing of its possibilities as a summer resort for the continent this northern country was an excellent setting for such an experiment in Government ownership. It was pointed out that the possibilities in the timber, mineral and tourist traffic of this region—to say nothing of farm products—ensured the success of the road almost before it was started. In the matter of tourists, also, the withdrawing from settlement of an area estimated at 1,400,000 acres and including Lakes Temagami, Lady Evelyn, Obabika and others ensured a splendid sporting resort and promised large development in this line of traffic.

The Provincial Government Commission in charge of the Railway consisted in 1906 of Mr. Cecil B. Smith, C.E. (Chairman), Mr. Denis Murphy, ex-M.L.A., of Ottawa, and Mr. J. L. Englehart of Petrolea. Up to Dec. 31st, 1904, the total expenditure on the road had been $4,485,317; on Dec. 31st, 1905 it was $7,465,676. Speaking to the Toronto *News* on Jan. 15th, 1906, Mr. J. H. Black, Superintendent of the Railway, stated that 40 miles of track were then completed north of New Liskeard, with 40 miles further north under construction, and 600 men engaged in the work. The distance to which the road ran in this direction, would depend on the route of the Grand Trunk Pacific with the probabilities in favour of proximity to Lake Abitibi. The Line would, he added, be at least 200 miles long. During 1905 some 4,000 tourists had come into this country and they expected 10,000 during the summer of 1906.

On May 28 an excursion was arranged over the road from Toronto to about 58 miles north of New Liskeard. A number of members of the Legislature and newspaper men composed the party together with Hon. F. Cochrane, Minister of Lands and Mines, and some other members of the Government. Cobalt, Haileybury, Englehart (the divisional point of the Railway), New Liskeard, North Bay, Lake Temagami—with its scenic beauty, its 2,200 miles of coast line and its 1,200 islands—were included in the itinerary. A question of the period in connection with this road was the request made by the Provincial to the Dominion Government for the usual Federal subsidy granted to approved railway enterprises of a private or corporate character. The amount asked for an extension to James Bay would have been about $900,000. Practically, it was refused, the Minister of

Railways stating in the House (July 3rd) that the grant was unnecessary in view of the unique position of the T. & N. O. in being built and financed by a Province. Opposition members such as A. C. Macdonell, W. F. Maclean and A. E. Kemp pressed for action in the matter but there was no response. The London *Free Press* of Feb. 19th had pointed out in this connection that many railways aided by the Governments of other Provinces—though not actually constructed or controlled by them—had been helped by Dominion subsidies as being " for the general advantage of the country."

As a Government enterprise the Temiskaming Railway was bound to find its way into politics. For instance Conservatives declared that this was the reason the Liberal Government at Ottawa refused it a Dominion subsidy and they also censured the late Premier, Hon. G. W. Ross, for not having pressed the matter upon his party friends when he was in power. The Liberals, in the summer of 1906, found ground for censure of the Government, and especially of the Commission, in the Right of Way Company affair. This concern was composed of Ottawa gentlemen and amongst them were Mr. G. P. Murphy, son of one of the Temiskaming Commissioners, and Mr. J. P. Dickson, Secretary of an Accident Company in which Mr. Denis Murphy was President. It presented to the Temiskaming Commission a request for mining privileges along some three miles of the Railway right of way in the Cobalt district—offering to pay in return a cash bonus of $50,000 and royalties on all minerals mined. The region was supposed to be particularly rich in silver.

The Commission agreed to the proposals and undertook to recommend acceptance by the Government with whom final action rested. The matter then became public and it was charged by *The Globe* of Aug. 3rd that Mr. G. A. Loney of Sudbury had, in 1905, offered an arrangement for this right of way, and had been refused, which would have realized the Government $750 a ton as against an estimated $500 per ton from the Murphy Syndicate whose offer had now been accepted by the Commission. The Hon. J. J. Foy, acting-Premier, at once pointed out in an interview that " the Commissioners have only authority under the Act of last Session to sell, lease or deal with mines, minerals or mining rights on any of the right of way of the railway, with the approval of the Lieutenant-Governor-in-Council. The lease in question will, in due course, have to come before the Executive Council and be considered by them."

Mr. J. P. Dickson, one of the Ottawa Syndicate, charged the Government with being concerned in the matter and with having promised them the right of way concession, whatever the tenders which might come in, up to $10,000 beyond their offer of $50,000. Messrs. Foy and Matheson, who were seen at once, denied any such promise but stated that some consideration up to $100 or so, had been assured to the Syndicate in view of the amount of

money they had expended in preliminary work. On August 2nd the Government decided against granting this lease of mining rights and suggested to the Commissioners that they should again advertise for tenders in this connection. Mr. Cecil B. Smith, on the same day, made the following statement public:

> The advertisements of the leases were published in a number of places all over Ontario and in Montreal. These advertisements appeared from April 6th to May 10th. Mr. J. P. Dickson of Ottawa, the party with whom the lease was finally negotiated, on March 26th applied for the lease at that time, and was told that nothing could be done in regard to the matter. His application was then placed on file. Soon afterwards the advertisements were published. There were a number of letters then on file from parties who wanted to be allowed to mine on the right of way of the Railway. The applicants represented in all eight interests, and the Commissioners suggested to them that they should form a company and then the Commission would be ready to make them an offer. Mr. Loney was one of these parties, and he and his associate were the only two out of the eight who refused to form a company.

Mr. Loney then continued to press proposals on the Commission and, finally, on June 26th, Mr. Dickson made an offer which the Commission decided to accept and recommend to the Government, as being the best obtainable. Meanwhile, the Liberal press was not exactly kindly in its criticisms of the whole affair while the Government press described it as a tempest in a teapot created by the combination of disappointment and Liberalism in the person of Mr. Dickson. Writing to the Ottawa *Citizen,* Aug. 17th, Mr. Chairman Smith said: "I look upon the criticism with reference to George Murphy being a member of the Syndicate as purely political and of no weight, as it is evident to any rational mind knowing present business methods indulged in by many so-called reputable men that if there had been any desire on the part of anyone concerned to favour George Murphy his name would have been concealed and a fictitious member of the Syndicate put in his place, but the plain fact is that we had nothing to conceal and that we considered the offer an advantageous one and worthy of acceptance."

On Oct. 6th Mr. Whitney announced in the Ontario Legislature that Mr. Cecil B. Smith had resigned the Chairmanship of the Commission to devote one-half of his time to the new hydraulic works in Winnipeg at a salary of $5,000. He would, however, continue as consulting Engineer to the Commission. On Dec. 20th an Order-in-Council was passed authorizing construction of the third division of the T. & N. O. Railway from the junction of the Black and Abitibi Rivers northward to meet the Grand Trunk Pacific. At the end of the year, Dec. 28th, the Hon. Mr. Matheson, Provincial Treasurer, received a cheque from the Commission of $158,000 representing part of the net earnings of the road for 1906. The gross earnings for that year were $544,018, the working expenses $362,492. For the year ending Dec. 31, 1905, the gross earnings had been $253,720; the operating

expenses $139,772. The first serious accident on this Railway occurred at a place called Swanson's Cut on July 8 when 4 persons were killed.

Progress of the National Trans-continental Railway

This important project and development in Transportation included two Divisions—one running 1,800 miles from Moncton, N.B., to Quebec and thence westerly through the northern part of the Provinces of Quebec and Ontario and through the Province of Manitoba to Winnipeg. This Division was purely a Government undertaking built at the expense of the country and under the supervision of four Commissioners appointed by and representing the Government. When completed the road was to be leased under Parliamentary enactment to the Grand Trunk Pacific Company and to be maintained and operated by that Company which was also to construct and to maintain and operate the Western Division running from Winnipeg to the Coast.* The Commissioners in charge of construction and progress were, in 1906, the Hon. S. N. Parent (Chairman), Messrs. C. A. Young, Robert Reid and Colin F. McIsaac, with Mr. Hugh D. Lumsden as Chief Engineer, and Mr. P. E. Ryan as Secretary.

For the fiscal year ending June 30, 1906, the total expenditure of the Board was $1,841,269 and the preceding expenditure $784,740. Connected lines of surveys had been carried on from Moncton to Winnipeg—totalling in the fiscal year 1906 for preliminary and all other surveys 9,156 miles. At that date, also, construction was in progress upon 150 miles from the Quebec Bridge westward and on 244 miles from a little east of Winnipeg toward a junction with the Thunder Bay branch of the Grand Trunk Pacific Railway—as the Western Division was termed. It was announced that the intention of the Commissioners was to locate the entire line so as to afford grades of exceptional ease in operation and this naturally entailed much additional survey work. Upon this point Mr. Lumsden, the Chief Engineer, made the following statement on July 25th in the Edmonton *Journal:*

As the value of a railway for means of transportation depends largely upon its location, neither time nor money is being spared in securing for the Trans-continental line the best route available. The great lakes will for all time remain the favoured route from the West to tide-water, but when the lakes are frozen, if the crops increase as they have increased for the past decade, there will always be millions of bushels of wheat awaiting shipment in the West. In order to haul wheat at a profit two thousand miles from the wheat-fields to the Atlantic, it is absolutely necessary that the road is as free as may be from heavy grades and excessive curves. While the entire line is not yet definitely located, enough field-work has been done to demonstrate beyond a doubt that the Trans-continental line will be, as far as grades are concerned, one of the best laid roads across the continent. From the great wheat-fields of the West to the tide-water of the Atlantic, the grades going east will, in all

* NOTE—For full particulars as to origin and progress of the project, see volumes of *The Canadian Annual Review* for 1903, 1904 and 1905.

probability, not exceed 0·4 of a foot per 100 feet. This will mean that a modern locomotive will handle forty-two cars between Winnipeg and Moncton.

A subject of considerable discussion in the Maritime Provinces was the route to be followed through New Brunswick. Mr. Lumsden reported that what was called the Back Route was several miles shorter than the St. John River route and that the saving in cost by adopting the former would be nearly $4,000,000. Besides these reasons he described the country opened up by that route as specially adapted for settlement and as being without present railway facilities. The other side to the discussion urged that the St. John River Valley route ran through a prosperous and settled country better fitted for railway construction and railway traffic and with greater possibilities in the way of making St. John the winter port for the new Railway as it already was for the Canadian Pacific. In the House of Commons on April 18th, the Hon. Mr. Fielding replied to several speeches as to this question of route but refused to be drawn into any discussion of its merits. He simply said that " Parliament has settled practically the question we have been discussing by inserting in the Act a declaration that the eastern portion of that road should be constructed from the City of Moncton through the central portion of the Province of New Brunswick and through the Province of Quebec to the City of Quebec by the shortest available line. That is an engineering question; we have had to discuss political questions in connection with this enterprise in the past and this is not the moment to discuss them again. The question as it is presented to the House by the quotation I gave you from the Act of Parliament makes the matter simply an engineering question."

Meanwhile the letting of contracts had been in progress. On April 12th it was announced that Mr. J. D. MacArthur of Winnipeg had tendered for the Winnipeg-Superior junction section for the sum of $13,010,392 and that Messrs. Hogan and Macdonald had tendered for the Quebec-La Tuque section with a bid of $5,297,257. Both bids were below the estimates of the Government engineers and both were accepted—with 245 miles to construct in the first case and 150 miles in the second. At the same time the Dominion Bridge Company obtained a contract for a steel superstructure bridge or viaduct over the Cap Rouge Valley, near Quebec, with a bid of $318,476. From a minority report in this matter, discussed in the Commons on April 18th, it appeared that Mr. Chairman Parent had opposed the acceptance of these tenders as being too low to ensure the rapid completion of the work and had pressed the acceptance of the Grand Trunk Pacific Company's tender which came closest to the Chief Engineer's original conception of the necessary cost. Contracts for material up to August 1st—including $1,127,000 to the Dominion Iron and Steel Company for steel rails—totalled $1,287,598.

On Oct. 12th the members of the Trans-continental Railway Commission met the representatives of the railway and steamship interests of Quebec in order to discuss the new docks and railway terminals for the port of Quebec which would be required on the completion of the Quebec Bridge across the St. Lawrence and the Trans-continental line. Every interest of note was represented except the Canadian Pacific Railway and the Canadian Northern. A Committee was appointed composed of representatives of the various local interests, together with several prominent Civil Engineers, to draw up plans and report upon the subject. This was done on Nov. 7th to a gathering which included the Commissioners, the Minister and Deputy Minister of Railways, Messrs. F. W. Morse, W. Wainwright, H. A. Allan, C. W. Spencer, W. Molson Macpherson, E. C. Fry, J. B. Laliberte, Mayor Garneau, G. E. Amyot and many others. The Hon. Mr. Emmerson announced that if the other railroad interests did not agree to join together in the formation of a terminal company to aid in the construction and management of the docks, etc., and thus secure equal rights, the Government would proceed to build the terminals on its own responsibility and, when completed, hand them over to the Trans-continental Railway. The result of this statement was that the various interests consulted together and went into preliminary arrangements looking to combined action.

Progress of the Grand Trunk Pacific

The Western Division of the National Trans-continental Railway made marked progress during 1906 in its route from Winnipeg to the Pacific. When this 1,800 miles of road was completed the Company would come into the lease of the Eastern or Government Division for 50 years at a rental of three per cent. per annum upon the cost of construction. The first 7 years, however, were to be free of rent and both Divisions were to be equipped by the Company at a first value of not less than $20,000,000. The President of this Company in 1906 and since its inception was Mr. C. M. Hays, Vice-President and General Manager of the Grand Trunk Railway; the Vice-President and General Manager was Mr. Frank W. Morse; the 2nd Vice-President, Mr. William Wainwright; the Secretary, Mr. Henry Phillips; the Chief Engineer, Mr. B. B. Kelliher. The Government Chief Engineer was Mr. Collingwood Schreiber, C.M.G. In the construction of this Division the work was supervised and reported upon by this latter official as well as by the Company's Engineer. According to Mr. Schreiber's Report up to Sept. 1st, 1906, plans and profiles of the located line had been approved by Order-in-Council for a distance of about 720 miles and covering the route from Portage la Prairie to within 8 miles of Edmonton. Work was in progress, though great difficulty had been found in procuring labour, and from the character of the curvatures and gradients a successful and economic operation of the Railway was expected.

A large area of land was purchased at Edmonton for workshops, sorting and distributing yards, warehouses and grain elevators.

The authorized capital stock of the Company was $45,000,000 of which $20,000,000 could be issued as Preferred. During the Parliamentary Session of 1906 an Act was passed incorporating the Grand Trunk Pacific Telegraph Company with a capital stock of $5,000,000; with broad powers in connection with telegraph, telephone, cable or wireless telegraphy; and with the intention of constructing a telegraph system along the line of the projected Railway. Another subsidiary concern was incorporated as the Grand Trunk Pacific Branch Lines Company with a capital stock of $50,000,000 and with authority to construct 20 specified branch lines of railway totalling 5,000 miles. During the year the parent Company provided capital for construction by the sale of $33,000,000 worth of bonds in London—the first issue being applied for ten times over. From surveys made it was estimated by the Company that the cost of the Prairie section would be from $20,000 to $25,000 per mile and for the Mountain section from $50,000 to $60,000 per mile. The cost of the Eastern or Government Division they placed at $30,000 per mile or a total, for the entire main line of the Government project and Company's road, of $123,500,000.

In an official document published during 1906 the Company also indicated the future necessity for providing lines of Grand Trunk Pacific steamships on the Atlantic and Pacific Oceans. Writing in *Scribner's,* during July, of this projected line as a completed whole, Mr. Cy Warman, a newspaper man of considerable reputation, described the policy of the Company as follows: "This, I believe, is to be a model line in every particular. It will profit by the mistakes of all existing lines and take advantage of every modern improvement. Nothing will be wasted, no opportunity for the reaping of legitimate reward for the men who furnish the capital will be neglected. The Company will build, own, and operate its own telegraph, handle the express business, provide hotels and restaurants. It will have a line of steamers on the Atlantic and another on the Pacific and a fleet on the Lakes." Meanwhile, in a gazetted grant of April 19th, the Minister of the Interior had, in stated accordance with the terms of the Trans-continental agreements approved by Parliament, recommended that the Company be authorized, under the Government's supervision as to details, to "withdraw for the present from mining entry, and from sale for coal or other mining purposes, all those lands which the Railway Company may select under Section 46 of the agreement embodied in The National Trans-continental Railway Act above referred to, also the land which they may acquire by purchase for a like purpose; and in case application is made by any person or company for permission to acquire the mining rights under any such lands, the Railway Company to be considered the first applicants therefor, and such

mining rights to be granted to them under the provisions of the regulations in that behalf."

During the year considerable discussion took place as to the matter of branch lines construction. Power was eventually given to a subsidiary concern, as above stated, for the building of about 4,000 miles of additional railway. It was given leave to build a line from Edmundston to Rivière du Loup; from Montreal, Ottawa, and Orillia to a junction with the main line; from Winnipeg, through Manitoba, to the Provincial boundaries; from Neepawa, Brandon, Yorkton, Regina, Prince Albert, Battleford and Calgary to the main line; from Brandon to the United States border; from Brandon to Regina; from Vancouver to a junction with the main line and the Pacific Northern and Omenica Railway, or both; from the north shore of Vancouver Island to Victoria; from above Dawson to the main line; from the northern terminals of any of the branch lines to Hudson's Bay; for a belt line around the City of Winnipeg.

In Parliament the subject was discussed at length and on different dates—notably on June 18th. The Opposition criticized the arrangement on the ground that branch lines could be built just as well by the main Company; that it might enable the latter to avoid some of their obligations by transferring the most profitable side of railway construction to another concern; that the measure did not respect the railway principle of not paralleling each other's lines within 30 miles; that the powers given to the new Company were too wide and far-reaching; that it did not stand in the same position toward the country, bound by the same obligations, as did the Grand Trunk Pacific Railway Company, although the same men were behind it; that it would be improper to tie up such a vast extent of country until 1916. The Hon. Mr. Emmerson pointed out, in reply, that similar Companies were or had been incorporated for the Canadian Pacific Railway and that this procedure had been the custom of Parliament for years. The contract with the G. T. P. Company did not include the building of these lines and someone had to build them, or many of them. "After all, this is simply a means to an end. I am not here as the solicitor of this Company; it is not for me to state what their object may be; but I can very well see that when they ask for power to lease these branch lines to the Grand Trunk Pacific they may have in view the issuing of bonds to provide means for the construction of the lines; and which, when constructed, they can properly, and in the interest of the country, lease to the G. T. P. That is being done day after day in the case of the Canadian Northern Railway and the Canadian Pacific Railway and it is a perfectly proper thing to do."

Progress was considerable during the year in all the varied work of preparation, if not of actual construction. The principal parts of the projected line were visited by the President, the

General Manager, or his Assistant, Mr. Wainwright. In March Mr. Hays was in London and on his return stated (April 2nd) that financial arrangements for the road were made as far westward as the mountains. To a *Globe* correspondent, on May 30th he stated that survey parties were then out in the mountains locating the best possible grades. When they were completed work would be commenced either from the Coast, or the foothills of the Rockies, eastward. "I am," he added, "satisfied with the way in which our work is progressing and we hope to be in a position to move some of the 1907 crop." Mr. F. W. Morse was in Winnipeg on July 20th and told the press that they had agreed with the Canadian Northern Railway as to the city terminal property and would join them in constructing a large Union Station. The line was now under contract, he stated, from Winnipeg to Edmonton and the material purchased.

At Edmonton, on July 30th, Mr. Morse stated that the only check in the rapidity of construction from Winnipeg was in the lack of men. If a sufficient number could be obtained he would start construction eastward from Edmonton. He paid Mr. C. W. Cross, the Attorney-General, and Mr. Mayor May sundry compliments in connection with pending arrangements between the City and Company. In addition to the purchase of 800 acres in the Alberta capital for traffic yards and workshops it was finally agreed between the Company and the City, in a document approved by the Edmonton City Council on Aug. 18th, that the latter body would give a bonus of $400,000 in cash or debentures, and certain exemption from taxation, in return for which the Railway Company would establish and maintain Edmonton as its chief divisional point on the main line between Winnipeg and the Pacific Coast. Mr. Morse was at Brandon on Aug. 8th and stated that the coming of the Railway to Brandon would depend, as to its date, upon the improved attitude of the citizens. At present, he declared, Brandon was the only Western town throwing obstacles in the way of railway entrance. On Sept. 21st, according to the Winnipeg *Free Press,* Mr. Hays assured the people of Edmonton very positively that "we will be here in time to move the crop of 1907." Mr. Morse informed the Saskatoon press, on Sept. 18th, that a spur line would shortly be built into that place. The leading officials of the Railway visited various Nova Scotia centres in July looking into conditions there and arranging contracts.

In August Mr. Alfred Brunet of Montreal was appointed by the Dominion Government as its representative on the Grand Trunk Pacific Board of Directors and a little later in the year the Hon. N. C. Rothschild, Sir Henry Mather Jackson, Bart., and Col. Frederick Firebrace, R.E., were appointed to the Directorate in place of Lord Welby, J. A. Clutton-Brock and Alex. Hubbard, who replaced the others upon the Grand Trunk Board. Meanwhile, another subsidiary Company had been incorporated

as the Grand Trunk Pacific Terminal Elevator Company, with a capital stock of $5,000,000, and for the purpose of erecting and operating elevators at the Lake Superior terminals of the Railway. On June 18th the City Council of Montreal protested by Resolution against what it considered the side-tracking of Montreal by the proposed branch line running from Joliette to that City and located by the Railway Committee of Parliament.

Another kind of complaint was made on June 15th when the Toronto *Mail* referred to an alleged acquisition of control by the G. T. P. over the Wisconsin (U.S.) Central Railway as follows: "The Company is not going to haul its freight 1,900 miles through the northern wilderness if it can get to the Lake and have its business transported by water to one of the Georgian Bay ports. Secondly, the Company is figuring in its branch line propositions upon a cut-off from the far northern Government line to North Bay, thus securing for it the very line it originally proposed. Finally, the Company is making arrangements for a connection between Chicago and Winnipeg via the Wisconsin Central." A reply to these and other statements of Opposition papers was made by Sir Charles Rivers-Wilson, a Director of the Railway, in the Montreal *Gazette* of July 16th: "We are under obligations to carry the trade of the Canadian North-West through Canadian ports and the great bulk will come over the eastern lines and find their terminal exits at Quebec in the summer, St. John, N.B., and Halifax, N.S., in the winter; and if we do not carry out our obligations with the Government and also consider the heavy lease we are under, we would be only doing ourselves an injury. We mean to be loyal to the Government and our obligations."

During the year many incidents occurred. On Nov. 30th the future town of Neva was inaugurated in the Whitemouth region of Manitoba as a typical settlement springing up along the lines of a new Railway. The Fernie Lumber Company indicated another form of development in the completion during August of a contract for 1,000,000 feet of cedar planking for the G. T. P. Victoria, B.C., urged its claims as a future Island terminus for this road, with a bridge across the separating strait, and the Hon. W. Templeman, Minister of Inland Revenue, told the Victoria *Times* (Aug. 22nd) that the proposal to make the place a great Railway terminal would be eminently practicable when the bridge project was carried out in future years. The General-Manager told the Winnipeg *Free Press* on Dec. 18th that the Company was well satisfied with the year's work and had almost completed arrangements for entrance to Port Arthur and the details as to Winnipeg. The Yellowhead Pass route through the Rockies had been approved by the Government. "During 1906," he added, "we completed 80 per cent. of the work which we set out to complete. The plans for the year contemplated a very large accomplishment in the way of construction, and still larger and more

important work in the engineering department. Of the actual work of construction 80 per cent. has been done and preparations have been completed for the still larger undertakings of 1907."

One of the important events of the year remains to be considered—the choice of a site on Kaien Island for its Pacific terminal;* the purchase from the Provincial Government of British Columbia, and the Metlakatla band of Indians, of 24,000 acres on Kaien Island, on the neighbouring Digby Island and on Tsimpseau Peninsula, as being the land necessary for its purposes in this respect; the offer of a $250 prize for a name for the future city and the choice of Prince Rupert out of 15,000 names submitted; the visit of Mr. Hays and other officials of the Railway to the new settlement and terminus in September; the announcement on Nov. 23rd that the Post Office in Prince Rupert was open for business. The place was most carefully laid out along lines necessary to a future city and centre, private construction and sale of lots being held back; a large office building was constructed and wharf building commenced; capitalists from the States wanting to open up or erect factories, breweries, apartment houses, etc., were turned away for the present; contracts were let for some 15 necessary buildings, including an hotel to cost about $30,000; the Union Steamship Company put a vessel on the route between Victoria and the terminal city; and by October 77 men were employed in the place and thousands were waiting at Pacific Coast cities to go in and settle when the opportunity came.

It may be added that 10,000 men were at work during the season upon construction of the Line and that the official figures of the Department of Railways on June 30, 1906, showed 931 miles actually under construction; $1,032,000 of the ordinary share capital subscribed and paid up; and a bonded debt of $31,183,440 issued and sold.

The Grand Trunk Railway during 1906

The interests of the Grand Trunk Pacific and the Grand Trunk Railway are so identified that it is not always easy to separate them. Out of the plans of the latter Company to reach the Pacific from their own Line had grown the national project of a trans-continental railway; out of the development of this latter project grew the partnership between the Dominion Government and the Company in its construction, or its management, from the Atlantic to the Pacific. Speaking to the Montreal *Herald* on April 2nd, Mr. C. M. Hays, President of the new Company, and General Manager of the old and pioneer Railway, stated that the Grand Trunk officials were well pleased with the success of their recent issue of $5,000,000 guaranteed 4 per cents., which had been over-subscribed in London several times—

* NOTE—Out of many rival places for selection—Port Simpson, Port Irving, Kitimaat, Nasoga Gulf, etc.—this place was apparently chosen as a result of the independent search and personal survey of Mr. James Anderson, a Civil Engineer, who got into communication with Mr. E. V. Bodwell, K.C., of Victoria, then with the Provincial Government, and the G. T. P. management.

$45,000,000 in actual offers. The money would be devoted to a Union Station at Toronto and to double tracking and other betterments in the System generally. An imposing building was also underway in London, England, as the local headquarters of both railways.

Meantime, it was announced that the Grand Trunk would pay $200,500 for the lands required in Toronto for its share of the new Station; and several purchases of land and notices of expropriation were at once made. It was also stated on June 23rd that the Company would increase its rolling stock with 5,000 new freight cars in order to meet the demands of the grain traffic. In April a circular was issued by the General Manager offering two free scholarships, covering 4 years' tuition in the Faculty of Applied Science at McGill University and subject to competitive examinations, to apprentices and other employees of the Company under 21 years of age. Students would be required to enter the service of the Company as apprentices, to serve during vacation periods and, at the option of the Company, to serve for two years after completing the course. Mr. R. S. Logan, Assistant to Mr. Hays, was placed in charge of the arrangements.

The half-yearly meeting of the Company for the period ending Dec. 31st, 1905, was held in London on April 5th. Sir C. Rivers-Wilson, in his Presidential address, regretted that the Canada Atlantic Railway had not shown a surplus since its recent acquisition and that the Michigan taxation law, affecting the seven roads which the Company worked in that State, had been sustained in the United States Courts. Between 1895 and 1905 the gross revenue of the Grand Trunk had increased $15,000,000, dividends were now being paid on all but the ordinary stock, and the capitalized value of its securities had risen $75,000,000 during that period. It was intended to build or purchase, as rapidly as possible, 150 new locomotives—averaging $15,000 each—while maintaining the normal increase of 30 a year. As to new cars they would for a time have the use of those being constructed for the G. T. P. by paying mileage.

On Oct. 11th the meeting of the shareholders for the half-year ending June 30th, 1906, was held in London. Sir C. Rivers-Wilson, in reviewing the six months' business, protested strongly against the new protective duty in Canada upon steel rails and stated that it affected the Grand Trunk to the extent of $120,000 per annum. In the case of the G. T. P. it would add about $4,000,000 to the original cost. He referred to the increased cost of labour and materials in Canada, the ever-increasing volume of business, and the urgent demands for increased Transportation facilities; deprecated the Ontario policy of new and increasing railway taxation which now meant a total charge of $178,000 a year upon the Grand Trunk; and asked why the railways should be restricted by law in their raising of rates and the Legislatures have unlimited freedom in the application of taxes. "To show

you how difficult it is for us to defend ourselves, at the very time when this oppressive legislation was passing through the Parliament of Ontario the Board of Trade of Toronto was putting strong pressure upon the Railway Commissioners to make us reduce our rates; and all this time we were being urged and pressed from all sides to build new stations, to raise tracks, and afford other expensive facilities for the advantage of the people of Ontario; and having given these new facilities, these very facilities are made a reason for insisting that we should be further taxed."

Mr. C. M. Hays, the General Manager, was given a complimentary banquet at Montreal on May 16th by the officials and presented with a massive gold loving-cup. A special feature of the year was the Royal train provided by the Company for the use of Prince Arthur of Connaught. One Ottawa paper described it as of " regal magnificence " in construction. In London, Ont., quite a controversy took place in connection with the Grand Trunk's intended local improvements—elevated tracks, safe crossings and a new passenger station. A bonus of $300,000 or its equivalent in tax reduction was asked from the City. At a public meeting held on March 22nd, with 75 people present, a Resolution was passed protesting against any special privileges being given to the Railway or against its being allowed to close up or encroach upon any public streets—as speakers claimed to be the case. The Ottawa City Council on Sept. 22nd was informed by Mr. A. T. Drummond of Toronto that the Kingston, Smith's Falls and Pembroke Railway concern had sold out to the Grand Trunk and that the latter Company intended to build a short line between Ottawa, Kingston and the West. He, therefore, asked a re-vote of subsidies promised to the former project. Kingston, he said, had re-voted its $250,000 and offered land for a station near the centre of the City. Nothing definite was done, however.

On Dec. 15th, it was announced that the Company had decided to go ahead with the extension of its works in Stratford at a cost of $250,000. An interesting incident toward the close of 1906 was the appearance of Mr. C. M. Hays, the General Manager of the Railway, before the Police Magistrate of Toronto (Nov. 21st) on a charge of neglecting to provide third class, two-cent-a-mile, accommodation on one train per day. On Dec. 2nd, a formal conviction was rendered and a stated case was submitted to the High Court as to the Magistrate's jurisdiction to impose sentence in the matter. Chief Justice Meredith, on Dec. 12th, refused to grant a mandatory order to compel the Company, as the prosecutor's lawyer put it, to live up to its obligations. The Chief Justice doubted his jurisdiction or power in the matter and disputed the urgency of the case. Meanwhile, the Grand Trunk authorities had asked Parliament to relieve them of any legal obligation there might be by striking the compulsory clause out

of their charter. A good deal of discussion was aroused by this action of the Company. The Montreal *Witness* endorsed Mr. W. F. Maclean, M.P. and the Toronto *World*, which had first moved in the matter, but thought that the Railway must either be relieved of the obligation or other roads brought under it; the Toronto *Globe* criticized the Company's application severely; the Montreal *Gazette* (Dec. 13th) warmly approved it and contended that conditions in Canada did not yet warrant a two-cent rate. In the Commons, on Dec. 13th, Mr. Maclean vigorously urged his policy of cheaper rates and protested against any release of the Company from the conditions referred to.

During the year meetings were held—May 11th and May 22nd—of the Presidents and Executive officers of the Railways running eastwardly from Chicago in order to settle disputes between the Grand Trunk and other lines as to rates. It was finally decided to place existing differences in the hands of an impartial person as referee and Mr. Lucius Tuttle, President of the Boston and Maine Railway, accepted the position. Like the C. P. R. the Grand Trunk had to face difficulties during the winter season in connection with the grain blockade on the Great Lakes. Like the other roads also it had some unfortunate accidents during 1906—notably one near Napanee on Sept. 21st and another near Guelph on the 22nd. The statistics of the Grand Trunk Railway for the calendar year 1906 are compiled as follows from the two half-yearly Reports:

	Six Months ending June 30th, 1906.	Six Months ending Dec. 31st, 1906.	Total.
Gross Receipts	£3,021,681	£3,584,846	£6,606,527
Working Expenses	2,184,821	2,561,496	4,746,317
Net Traffic Receipts	836,859	1,023,350	1,860,209
Net Revenue Receipts	944,867	1,156,125	2,100,992
Net Revenue Charges	635,006	632,659	1,267,665
Surplus	309,861	523,465	833,326
Dividends Paid	298,301	526,311	824,612
Number of Passengers carried	4,616,957	6,046,070	10,663,027
Tons of Freight and Live Stock	7,598,784	8,318,075	15,916,859
Average fare per passenger	3s. 7d.	3s. 6¼d.	7s. 1¼d.
Earnings per train mile	74·37d.	86·52d.	160·89d.
Train mileage	9,751,744	9,943,640	19,695,384
Expenditure on capital account	£39,844	£65,084	£104,928

There was an increase of 313,192 in the number of passengers carried, over the first six months of 1905; an increase of 1,135,452 in the tons of freight and live stock carried; and an increase of 187,376,319 in the tons of freight carried one mile. The gross receipts increased £292,673 or $1,463,365. The working expenses also increased £261,383, or $1,306,915. For the second six months of 1906 there was an increase over the same period in 1905 of 290,399 in the number of passengers carried; of 738,197 tons in the freight and live stock carried; of 205,033,256 tons in the freight carried one mile. The gross receipts increased £295,854 or $1,479,270 and the working expenses £195,410 or $977,050. The securities owned by the Grand Trunk Company

on Dec. 31st, 1906, were $29,082,594 in value; the length of roadway, including lines east of St. Clair and Detroit Rivers, the Detroit and Michigan Air Line and the Cincinnati, Saginaw and Mackinaw Railway, was 3,535 miles; the second track was 671 miles and sidings 1,169 miles; the total tracks and sidings 5,375 miles—all laid in steel rails. The total Loan capital of the Company on Dec. 31st, 1906, was £1,909,900; the Stock or Share capital issued £43,747,222; the Canadian Government advances £3,111,500; the total amount raised by issue of debenture stock £22,471,426. The total receipts on capital account were, therefore, £71,246,048; the expenditures were £68,299,001. The statistics of the three acquired Lines were as follows.

1906. Two Half-years Combined.	Canada Atlantic Railway.	Grand Trunk Western.	Detroit, Grand Haven and Milwaukee.
Gross Receipts	$414,957	$1,157,238	$357,372
Working Expenses	356,888	972,571	266,394
Passengers carried (number)	485,413	1,768,998	712,939
Quantity of Freight carried (tons)	1,518,080	3,302,824	1,605,619

Record of the Canadian Pacific Railway in 1906

On June 30th, in this year, the first great transcontinental Line of Canada had a mileage in its traffic returns of 8,776; a mileage of other lines worked amounting to 438; a mileage under construction of 923—making a Canadian total of 10,138 miles together with the Minneapolis, St. Paul and Sault Line of 2,153 miles and the Duluth, South Shore and Atlantic of 592 miles, additional. During the Company's fiscal year, ending as above, its policy of extending into productive territory was maintained in the building of 291 additional miles of the Minneapolis and Sault road by the issue and sale of $5,820,000 of the latter's 4 per cent. consolidated mortgage bonds containing a C. P. R. guarantee of interest. Branch lines and extensions such as the Guelph and Goderich Railway and the line between Sudbury and Toronto were carried toward completion and grading was done between Wetaskiwin and other Western points with a view to establishing through connection between the Manitoba Line and that of Pleasant Hills to Edmonton during the year 1907.

Arrangements were made for the lease for 94 years from Jan. 1st, 1906, of the Joliette and Brandon Railway, extending about 13 miles, and costing a rental equal to 4 per cent. per annum on bonds for $125,000. Other leases included that of the Walkerton and Lucknow Railway, 37 miles in length, and the Berlin, Waterloo, Wellesley and Lake Huron Railway. On March 10th, a special general meeting of shareholders was held in Montreal and a Resolution adopted authorizing an increase of the ordinary capital stock from $110,000,000 to $150,000,000. It was also decided that $8,600,000 of stock previously authorized, but not issued, and $11,680,000 of the stock newly authorized, should be forthwith issued and offered to shareholders at

par on the basis of one new share to five shares of registered holdings as on April 20th, 1906. In his address Sir Thomas Shaughnessy referred to the growth of the gross revenue from $37,500,000 in 1902 to $46,400,000 in 1904 and to a probable $60,000,000 in the current year. Since 1901, also, $18,500,000 had been spent on equipment and rolling stock; $6,445,000 for additional shops and machinery; $13,000,000 for reduction of grades, etc.; and $10,000,000 for enlargement of terminals and general improvements.

The new issue of stock was, the President added, required to meet the extraordinary demands of business. "The construction of a second track between Winnipeg and Fort William, a distance of 425 miles, is well started and will be completed in 1907, and a reduction of the grades between Swift Current and Dunmore Junction from 1 per cent. to one-fourteenth of 1 per cent. maximum, east and west bound, will be finished this year. For these purposes, as well as for the increase year by year in car and locomotive equipment, and for such general works of improvement as are best calculated to promote efficiency and economy, the proceeds of the present proposed issue of capital and the appropriation from surplus earnings of $5,000,000 will be required and expended." Meantime, in the Montreal *Herald* of Feb. 10th, Sir Wm. C. Van Horne had explained the proposed increase of stock on the following grounds:

It has always been the policy of the Canadian Pacific to build not only up to the requirements, but ahead of the present needs of the population. That will be the policy of the Canadian Pacific in the future as it has been in the past. We build each year from 500 to 1,000 miles of new track. That amount of new construction is necessary in order to keep pace with the expansion of settlement and the development of the country's interest. These new lines do not, of course, all mean profitable investments at the start, but each branch is an important integral part in the system, and it in time comes to be like the other, a source of revenue so large that it gives a return to the capital represented in its construction. The present prosperous condition of Canada, which means further expansion and consequently greater prosperity everywhere, justifies the Directors in making the large addition to the Company's capital which has just been announced.

In the annual Report submitted by the President, Sir Thomas Shaughnessy, at a meeting in Montreal on Oct. 3rd, it was announced that the debt of $7,000,000 due the Province of Quebec for the purchase of the line between Ottawa and Quebec had been paid and 4 per cent. consolidated debenture stock to the amount of £2,531,273 created and sold to cover the payment; that Preference stock totalling £1,000,000 had been issued and sold for purposes previously sanctioned; that the land sales were 1,115,743 acres which had realized $6,513,452; that a further sum of $6,500,000 had been deposited with the Government of Canada toward the redemption of the $15,000,000 land bonds

mortgage—leaving only $1,500,000 still due which was paid off in July. Sir Thomas also referred to the non-payment of interest by the Duluth and South Shore Railway despite a substantial increase in earnings and due to certain large and exceptional expenditures; to the new Empress steamships which were now in regular service;* to the intention of the Company to build a railway from Peterborough to Victoria Harbour on Georgian Bay—a distance of 96 miles—with the view of lessening the present route from Montreal to the Bay by 91 miles and having more favourable gradients. He mentioned the policy of issuing 4 per cent. consolidated debenture stock with a view to constructing the following branch lines in the West: from Moose Jaw, 50 miles north-westerly; Weyburn to Stoughton on the Arcola-Regina extension, a distance of 36 miles; Stonewall branch, from Fenelon northerly about 20 miles; Winnipeg Beach to Gimli, an extension of about 10 miles; from Lander westerly to Broomhill, a distance of 20 miles; from near Darlingford in a southerly direction about 6 miles.

According to the annual statement the net receipts of the Land department for the year ending June 30, was $5,168,501; the receipts from additional ordinary stock $7,409,808; from 4 per cent. Preference stock $4,939,289 and from consolidated debenture stock $12,994,354—a total of $25,343,452; the receipts from accounts receivable were $1,210,068. The dividends paid on Preference stock were $1,562,799 and on Ordinary stock $6,084,000; the expenditures on construction of acquired and branch lines $4,923,597; the additions and improvements on the main line and branches $7,783,030 and upon leased or acquired lines $757,580; the expenditure upon rolling stocks, shops, and machinery $6,589,846 and upon ocean, lake, and river steamships $2,971,640; the amount paid the Dominion Government on account of bonds was $6,500,000 and a payment to Quebec Province of $7,000,000 was for the Quebec, Montreal, Ottawa & Occidental Railway, better known as the North Shore Railway of political fame. The condensed balance sheet was as follows:

ASSETS, JUNE 30TH, 1906.

Cost of Railway and equipment	$225,721,418 20
Ocean, lake and river steamships	15,709,139 22
Acquired securities	52,492,909 22
Properties held in trust for the Company	2,651,535 26
Deferred Payments on Land and Town Site Sales	16,382,823 17
Advances to Duluth Line, Car Trusts, etc	236,213 19
Material and supplies on hand	9,038,819 63
Accounts Receivable	5,072,013 78
Due from Imperial and Dominion Governments	263,106 86
Cash in hand	17,752,415 70
Total	$345,320,394 23

* NOTE—See pages elsewhere, in this volume, under heading of "Steamship and Shipping Interests."

To these assets might be added the value of 9,847,975 acres of land held by the Company in Manitoba, Alberta and Saskatchewan and of 3,625,375 acres held in British Columbia; together with the 2,500,000 acres which the C. P. R. was to receive through its ownership of the Columbia and Western Railway. As the average sales of its land in the three western Provinces was at $5.84 in 1906 as compared with a little over $3.00 in 1904 and as values on the south of the boundary line in similar lands was far above these totals the possible worth of this asset can be easily estimated although not included in the Company's tables.

LIABILITIES, JUNE 30TH, 1906.

Capital Stock	$101,400,000 00
Payments in new issue of $20,280,000	4,595,190 00
Four per cent. Preference Stock	42,719,999 04
Four per cent. Consolidated Debentures	101,519,411 21
Mortgage Bonds	40,238,086 33
Land Grant Bonds	1,500,000 00
Current accounts, etc	9,567,755 18
Interest in Funded Debt, etc	1,666,169 25
Equipment Replacement Fund	963,004 58
Steamship Replacement Fund	840,666 67
Sales of Land and Town Sites	14,568,697 42
Surplus	25,741,414 55
Total	$345,320,394 23

The equipment of the Canadian Pacific on June 30th was 1,109 locomotives, 997 passenger cars, 160 sleeping and dining cars, 50 parlour and official cars, 34,152 freight and cattle cars. On the Atlantic there were 15 steamships, on the Pacific ocean 6, on the Pacific coast service 12, on the upper lake service 3, on the British Columbia lake and river service 16, and on ferry service 2. The passengers carried in this fiscal year were 7,753,323 or an increase of 860,000 and the earnings per passenger per mile were $1.84. The freight carried was 13,933,798 tons or an increase of 2,040,000 tons and the earnings per ton per mile were 0.74 cents. Of the freight carried there were 5,994,535 barrels of flour; 82,196,648 bushels of grain; 1,428,320 head of live-stock; 1,804,648,962 feet of lumber; 3,818,625 tons of manufactured articles. The earnings for the two fiscal years were as follows:

	1905.	1906.
From Passengers	$13,583,052 11	$16,041,615 52
From Freight	31,725,290 10	39,512,973 18
From Mails	703,896 48	707,007 97
From Sleeping cars, Express, Elevators, Telegraph and Miscellaneous including profit from Ocean Steamships	4,469,643 56	5,408,161 49
Total	$50,481,882 25	$61,669,758 16

At the close of the annual meeting Sir T. G. Shaughnessy was re-elected President of the Company and the following Directors appointed to the Executive Committee: Sir Wm. C. Van Horne

(Chairman), Lord Strathcona and Mount Royal, Mr. R. B. Angus, Mr. E. B. Osler, Sir Thomas Shaughnessy and Mr. D. McNicoll. It was estimated at this time by the Winnipeg *Telegram* that the Canadian Pacific employed an average of 45,000 men throughout the year and paid them about $20,000,000 in wages. To the press, on July 4, the President stated that 900 miles were then under construction; on Sept. 28, he added that the through line to Edmonton would be finished within a year and the double-tracking between Winnipeg and Fort William in two years; on Nov. 30th he summed up the total new lines under construction as having increased to 1,208 miles. An interesting incident of the year was the sending of Master Fred Shaughnessy, a son of the President of the Railway, with his tutor, around the world on a trip occupying about 4 months and in which he used a single ticket issued by the Canadian Pacific Railway and travelled over 29,000 miles under the house-flag of the Company. The following was the route:

	Miles.
Montreal to St. John, N.B. (C. P. R. Train)	481
St. John, N.B., to Liverpool (C. P. R. Steamship)	3,324
Liverpool to Hong Kong (C. P. R. Steamship)	15,249
Hong Kong to Vancouver (C. P. R. Steamship)	7,254
Vancouver to Montreal (C. P. R. Train)	2,904
Total	29,212

Of Imperial value and historic importance was the mail service arrangement with the British Government, concluded in August, by which the China and Japan mails were to be carried with rapidity some 13,000 miles over the Railway and upon the Steamships of the Company. Of financial significance was the successful effort of brokers in Montreal and New York to put C. P. R. stock up to 200—a point which it reached on Dec. 14th. In 1900 the highest Montreal quotation had been 100 and the lowest 87¼ and in 1895 it had been as low as 35 with a dividend paid of only 1½ per cent.—due in part to the depression in the United States. On Nov. 10th, the Montreal *Star* made the following comparison in connection with the current prominence of Mr. J. J. Hill's name and undertakings:

	Canadian Pacific.	Northern Pacific.
Gross earnings last year	$61,669,000	$61,223,000
Increase	11,100,000	10,500,000
Surplus five years ago	14,081,000	9,000,000
Surplus last year	24,942,000	22,000,000
Equivalent on common stock	15 p.c.	14 p.c.

A cause of complaint in some quarters during the year, affecting other Lines as well as the Canadian Pacific, was the shortage of cars. It was stated on July 30 in the Winnipeg *Telegram* that this latter Company was preparing for the anticipated demands of the coming crop by constructing many additional engines and

new cars. Yet in a press interview at Victoria, on Oct. 4th, Mr. F. W. Peters admitted that there was some justice in the complaints made although his Company had done all that was in its power. "For two years the car-shops have been working to full capacity in an endeavour to produce the rolling stock required. With the great expansion of business following the rapid development of the country the demand for cars is far greater than the supply, and it will be some time yet before we can catch up. Construction of rolling stock is delayed, too, by the inability to get the requisite lumber from British Columbia as much of the timber from this Province enters into the work." Mr. William Whyte told the press at Winnipeg on Oct. 6th that: "We were not satisfied with the extent of the equipment we employed last year and have built and purchased power and material for cars in every market available; yet those markets have been most unsatisfactory, because we have had our manufacturing operations suspended from time to time through our inability to get materials." Despite these difficulties, however, 73 additional locomotives of the largest type west of the Great Lakes, and 1,030 cars of different types, had been added to their equipment. Sir Thomas Shaughnessy was emphatic upon this point in the Winnipeg *Free Press* of Dec. 1st:

> There is a difficulty in the matter of the provision of cars and locomotives for the business of the Company. If I could buy ten million dollars' worth of cars and locomotives for the business of the Company at the present time I would buy them and undertake to provide the money in cash. There are no cars or locomotives to be bought. We are, however, making very large additions to the rolling stock of the company from our own shops. Every evening there are twenty-four finished cars delivered from our own builders to the operating department of the Company and a corresponding number of locomotives monthly. It is not so very long ago that twenty-four cars made up a railway train. So that it may be said that we are adding a new train to the available force of cars every day.

Another matter of interest to the Company as it was of importance to the country was the Western railway policy of Mr. J. J. Hill. How far his interests in British Columbia and his extension into the other Provinces would compete with the C. P. R. was a much discussed question. The efforts of one of the Hill lines to get into Vancouver and then on to Burrard Inlet was an event in this connection and the Canadian Pacific won the first round in the matter of Burrard Inlet. The extension of the Minneapolis and Sault road was supposed by the public to be a competitive attack upon the Hill system in its own country. Mr. Hill's line from Vancouver to Midway, with other smaller branches in British Columbia were, of course, direct invasions of Canadian Pacific territory. He was also believed to be behind a projected line from the border to Brandon and thence to Regina and upon this point Mr. Whyte spoke to a press correspondent in Montreal on Jan. 17th as follows: "True patriotism should stimu-

late our western people and lead them to assert their influence in preventing Canadian products from finding their way to the British markets by United States routes; but I am afraid patriotic sentiment would not in all cases weigh much against cheap rates. However, our rates are cheaper than those of the Great Northern, so I do not think the new lines, which are simply intended to be feeders of the Great Northern will take much Canadian trade." In his address at Quebec, on May 19, Sir T. Shaughnessy presented the following general view of the matter:

> **On more than one occasion our own Canadian Railway companies have failed to secure charters because, in the opinion of Parliament, the lines were not required, and in other cases clauses have been introduced into the charters restricting the location of the lines so that they might not unduly encroach upon the territory of existing roads. And in still other cases Parliament has thought it proper, when dealing with these railway charters, to see that the powers conferred were not to be used to the detriment of the country's general transportation interests ? If in the case of our own Railway companies such restrictions were thought proper and just, surely no company seeking charter privileges in the interests of a foreign corporation can object if the legislation be surrounded by similar safeguards.**

All through the West the Canadian Pacific's activities were in evidence during the year. In Brandon a vigorous protest and some controversy took place over the City's proposal to grant union terminals to the Great Northern Railway. At Saskatoon land was bought for freight sheds and a passenger station and it was announced that the C. P. R. would build a bridge across the Saskatchewan River into the City and, later on, carry a line from Saskatoon to Regina. New freight yards were commenced at Regina and an immediate extension promised of the Moose Jaw line. Strathcona was made a terminal, facilities were granted by the Council and the construction of a roundhouse, yard, shops and divisional yards commenced. The expected high level bridge over the Saskatchewan River at Strathcona and the consequent entry into Edmonton, the connection of Regina and Prince Albert, and Strathcona with Brandon, were other announced projects of the year. Some of them involved difficulties, municipal and otherwise, which required presentation to the Railway Commission before actual work could be commenced. In British Columbia a notable Railway incident was the opening, in the Spring, of the new branch from Spence's Bridge into the rich Nicola valley and the Kootenay country. A long-drawn-out matter with too many sides, and too great a variety of infinite detail, to discuss here was the controversy as to rates between the Railway and the shippers of that Province. Elaborate statements on either side were heard by the Railway Commission.

Meanwhile the Company had electrified Vancouver Island, and Victoria, by the tentative announcement of Sir T. Shaughnessy, in Winnipeg on Nov. 28th, that large development work was likely to be commenced in the near future in connection with

the Esquimalt and Nanaimo Railway lands and that 150,000 acres would be cleared at a probable average cost of $100 per acre—a total of $15,000,000 in immediate and future expenditure. The President's statements were followed up by additional information in the press from Mr. J. S. Dennis, Assistant to the 2nd Vice-President. In the Victoria *Times* of Nov. 29th he stated that it was hoped an arrangement would be made to clear lands within the Railway belt at the rate of about 10,000 acres a year for 15 years. Of the land to be cleared some 75,000 acres had already been located. To the Island this undertaking meant not only the probable expenditure of millions in money but the settlement and development of its valleys—fertile in soil and rich in minerals.*

There were many minor incidents in connection with the Railway's record in 1906 of which only a few can be mentioned. On Feb. 27 it was announced that the Canadian Pacific had won in the appeal to the Judicial Committee in London made by the City of Vancouver against a local decision which refused the City right of way to the sea over the Company's line of railway running along the foreshore. In April the Company gave a grant of $10,000 to the San Francisco Relief Fund and on Sept. 26th Mr. William Whyte informed the Winnipeg City Council that "the Company will voluntarily, and without any consideration from the City, give $20,000 per annum for ten years, or $10,000 per annum for twenty years, toward the securing of a water supply for Winnipeg." In April four scholarships at McGill University were promised, with 4 years' tuition, to apprentices and employees under certain conditions. The Company was not without its share of disasters and misadventures in 1906. A daring "hold-up" was perpetrated near Kamloops, B.C., on May 3rd, by masked robbers who escaped at the time but were ultimately run down and captured by the Mounted Police. Over $16,000 in rewards had been offered and the trial took place on June 1st with a verdict of life imprisonment against two of the men and 25 years for another. The *Princess Victoria,* of the coast service line, struck a tug not far out from Vancouver with a loss of ten persons drowned in the latter. The same steamer ran on the rocks on Oct. 16th and was somewhat injured. A Railway collision near Kamloops on Nov. 13th also occurred.

There were some changes in the officers of the road. Mr. W. F. Tye resigned the position of Engineer-in-chief and was replaced in March by Mr. F. P. Gutelius with the title of Assistant Chief Engineer. Mr. W. B. Howard became District Passenger Agent of the Atlantic Division; Mr. C. E. Ussher Assistant General Traffic Manager at Winnipeg; Mr. William Stitt was appointed General Passenger Agent of Eastern Lines at Montreal; Mr. James Oborne became General-Superintendent

* NOTE—Negotiations between the C. P. R. and the B. C. Development Co. were still pending at the time of writing, March, 1907.

of the Ontario Division at Toronto and Mr. H. P. Timmerman General-Superintendent, Eastern Division at Montreal; Mr. D. E. Brown was appointed Manager of the Pacific Steamship Service with headquarters at Vancouver. The General Officers for 1906 were as follows:

President	Sir T. G. Shaughnessy	Montreal.
Vice-President	Mr. D. McNicoll	"
2nd Vice-President	Mr. W. Whyte	Winnipeg.
3rd Vice-President	Mr. I. G. Ogden	Montreal.
4th Vice-President	Mr. G. M. Bosworth	"
Secretary and Assist. to President	Mr. C. Drinkwater	"
General Counsel	Mr. A. R. Creelman, K.C.	"
Treasurer	Mr. W. Sutherland Taylor	"
Passenger Traffic Manager	Mr. Robert Kerr	"
Freight Traffic Manager	Mr. W. R. MacInnes	"

The Progress of the Canadian Northern Railway

Through the great Canadian West and in various other parts of Canada this Railway passed in 1906 toward its goal of trans-continental proportions. At the close of the fiscal year ending June 30, there was a total mileage in the system of 2,482 as compared with 1,876 in the previous year and a mileage operated of 2,064 as against 1,586. This mileage was divided amongst the Provinces in 1906 as follows: Ontario 353; Manitoba 1,312; Saskatchewan 602; Alberta 169. In Minnesota there were 43 miles. The chief statistics of the Railway in this fiscal year of 1906, as compared with 1905, were as follows:

Gross Earnings.	To June 30th, 1905.	To June 30th, 1906.
Passenger Traffic	$ 663,935	$1,062,639
Freight Traffic	3,061,531	4,335,933
Express, etc.	464,745	505,183
	$4,190,211	$5,903,755
Passenger Traffic :		
No. of Passengers	486,591	564,341
Passengers (1 mile)	28,883,378	47,182,065
Freight Traffic :		
Tons carried	1,368,896	1,727,002
Tons, per mile	385,834,234	535,298,197
Character of Freight :		
Flour (sacks)	414,824	483,819
Grain (bushels)	9,681,829	16,192,502
Live Stock (head)	20,299	41,588
Logs and Lumber (feet)	141,614,000	171,636,000
Immigrants' effects (cars)	1,558	2,614
Operating Expenses	$2,644,729	$3,674,732
Net earnings	1,545,482	2,229,623
Surplus	416,703	719,574

In his annual Report, dealing with the figures of these years, Mr. William Mackenzie, President of the Company, pointed out that the increase in passenger traffic receipts during 1906 (June 30) was 60 per cent.; in gross earnings on freight traffic 42·62 per cent.; and in tonnage carried 26·16 per cent. He then went on to say that: " While the large increase in traffic has been

New Station and Docks of the Canadian Northern Railway at Port Arthur, Ont., 1906.

received from the movement of grain and traffic and from the farming and immigration business, generally, the most noteworthy development was that of the coal, iron-ore and other mineral business along the line, the result of which will only be actually shown in the traffic of the current (fiscal) year." Under authority from the shareholders 4 per cent. perpetual debenture stock had been sold during the year to the amount of £1,240,000. The completion of the line to Prince Albert and the main line to Edmonton during 1905 marked an important stage in the history of the Railway. The line to Prince Albert provided, in addition to opening up a large area of arable land to settlers which had to some extent been already brought under cultivation, an outlet for the production of the lumber mills operating at different points on the line; and created a shorter route to Winnipeg and the East by about 70 miles.

The main line to Edmonton developed a very large increase in traffic from the movement of grain and cattle while the coming of desirable settlers along all parts of the Railway and especially in the Saskatchewan Valley and Carrot River districts continued satisfactory from every standpoint. Mr. Mackenzie declared that the grain crop was considerably better than in the previous year while the lumbering industry had also continued prosperous. During the year considerable expenditures were incurred in improving the roadbed, enlarging and building new stations and extending industrial tracks and sidings to meet the demands of traffic. The work was, however, greatly hampered owing to the scarcity of labour. The general balance sheet for the fiscal year showed assets totalling $74,297,012 of which $69,858,264 was the cost of the Railway and equipment; $1,946,666 was the cost price of certain subsidiary stocks held by the Company; $1,802,566 the value of the material and supplies on hand and traffic balances, etc.; and $689,514 the cash on hand. The liabilities included $30,750,000 of capital stock; $10,901,333 of 4 per cent. perpetual consolidated debenture stock; $24,585,136 of bonds and $4,180,915 of car-trust obligations; $2,251,516 of current liabilities. There was a surplus of $1,628,110. The bonds guaranteed as to principal and interest by the Government of Manitoba totalled £2,985,100 and by the Dominion Government amounted to £1,923,287. The leased lines included the Northern Pacific and Manitoba Railway with annual charges of $200,000 and the Minnesota and Manitoba Railway with $13,960. The interest in equipment leases of these lines also totalled $211,234 a year. For the six months ending Dec. 31st, 1905 and 1906 the statistics were as follows:

	To Dec. 31st, 1905.	To Dec. 31st, 1906.	Aggregate Increase.
Gross Earnings	$2,693,200	$3,916,100	$1,222,900
Expenses	1,703,300	2,598,500	895,200
Net Earnings	989,900	1,317,600	327,700
Operated Mileage	1,911	2,457	546

The projects of the Canadian Northern Railway, or of Messrs. Mackenzie and Mann, were much discussed during the year. A newspaper story with some currency was that they were working at various Western points in harmony with the Hill interests. No proof was produced however and a straight denial given by Mr. Mackenzie on April 13th. In the Senate, June 15th, a debate relating to the Pacific and Eastern Railway charter—which was refused from Prince Albert to Hudson's Bay—evoked some high praise for the Canadian Northern promoters and for the work they were doing upon their projected Hudson's Bay line running 500 or 600 miles from Erwood and connecting, in time, with a branch from Prince Albert. Efforts were made to induce the Company to extend its line from Prince Albert west to Battleford and, on March 14th, a deputation composed of Mayor J. E. Bradshaw of the former town, Mr. A. J. Bell, President of the Sturgeon Falls Lumber Company and the local Liberal Association, and Mr. A. L. Turgeon, waited upon the Prime Minister at Ottawa and asked that the bonds of the Railway be guaranteed by the Government for purposes of this construction. In Toronto they also interviewed Mr. Mackenzie.

It was stated in April that the Company had acquired control of the Central Ontario Railway running 150 miles from Coe Hill to Picton. Progress was made on the location and construction work of the road between Montreal and Ottawa and plans filed for its entrance to the capital. In Winnipeg an agreement was come to with the Grand Trunk Pacific for the latter to take a half interest in the local terminal owned or leased by the Canadian Northern. On July 15th it became known that the Company had acquired the Qu'Appelle, Long Lake and Saskatchewan Railway running from Regina to Prince Albert, 249 miles in length and operated, though not owned, for a number of years past by the Canadian Pacific Railway. It was said that about $500,000 had been paid for the road in addition to an assumption of certain bonded indebtedness but the actual terms involved a complicated exchange of bonds and stock and varied detail. The line was formally taken over on Dec. 14th and a substantial reduction in freight rates between certain points was announced. In July some discussion took place between the Company and the City Council of Brandon as to certain local crossings, grades, etc., in connection with the projected policy of putting that city on a direct line with Edmonton. Friction also occurred over the crossing of the Canadian Northern and the Great Northern near the city. Control had been acquired in the preceding year or two, of the Great Northern Railway of Canada, the Chateauguay and Northern Railway and the Quebec, New Brunswick and Nova Scotia Railway charter and, during 1906, these three Companies were amalgamated, under authority of the Railway Commission, as the Canadian Northern Quebec Railway Company. By this step arrangements were made to work these lines as part of the

Canadian Northern Railway system and power obtained to effect entrances into the Cities of Ottawa, Montreal and Quebec.

On August 10th, the incorporation was announced of the Renwick Company, supposed to be a subsidiary concern, with a capital stock of $40,000 and the right to carry on a navigation and steamboat business. About the same time a working arrangement was effected between the Canadian Northern and Peavey and Company, the elevator interests of Duluth, by which the latter concern had the use of the Company's grain elevators at Port Arthur. This was apparently part of a plan under which the Peavey's came to Winnipeg as the British America Elevator Company, Ltd., and expressed an intention of building a large number of elevators along the Canadian Northern Railway in the near future. Meanwhile, large orders were placed by the Railway for new box cars with Canadian concerns in Amherst, Montreal and Cobourg. Speaking to the Winnipeg *Free Press* on Aug. 14, Mr. Mackenzie stated that they had recently added 1,600 new box cars and 50 engines to their equipment in connection with the movement of the current crop. On Dec. 2nd, following, Mr. D. B. Hanna announced in Winnipeg that contracts had been let for $4,288,076 worth of equipment—including 75 locomotives, 2,015 freight cars and 59 passenger, dining and sleeping cars. The Company was also negotiating, he went on, for 525 more freight cars at an estimated cost of $537,000. These orders were for 1907 delivery and most of them had been placed in Canada.

On August 22nd Mr. Mackenzie was in Regina and stated that the Canadian Northern would reach that City about a year hence. Speaking to the Montreal *Star* on Sept. 20, Mr. D. D. Mann said that construction work was going on steadily. "About 500 miles of track will represent our work for this season. Of this there are about 200 miles on the prairie west of Winnipeg and about 90 miles in the direction of Hudson's Bay. In Ontario there are about 100 miles, the same amount in the Maritime Provinces and about 50 miles in Quebec." As to the Hudson's Bay project their line was as yet merely a short branch to the Saskatchewan River in the direction of the Bay which, however, would still be 500 miles away. At the end of the season, he added, they would have constructed 4,000 miles of track for the ten years of the Company's existence.

The formal opening of the Canadian Northern Railway from Toronto to Parry Sound, took place on Nov. 19th, when the first train left the former place for its northern destination and added 149 miles to the length of the system. Meanwhile, also, the line from Parry Sound to Sudbury was being pushed with its objective point in the Moose Mountain district, where rich iron deposits are located, and thence on to Port Arthur. Upon this line between Toronto and Sudbury the Ontario Government, on July 25th, concluded an agreement with the Canadian Northern Ontario Rail-

way Company—formerly the James Bay Railway Company—to guarantee the principal and interest of debenture stock at a rate not exceeding $20,000 per mile for a distance of 268 miles and a total amount of $5,360,000. The stock was to bear interest at 3½ per cent. On Dec. 11th, as a result of rumoured intentions by the C. N. R. to absorb the Quebec and Lake St. John Railway the Quebec Board of Trade adopted a series of Resolutions objecting to such an action as not so conducive to local interests as the present policy of the local Railway. Speaking to the Regina *Standard,* on Dec. 13, Mr. E. A. James, of the Canadian Northern, intimated that it was the Company's ultimate intention to build west from Regina through the Eagle Lake country. Meantime plans had been matured and preliminary action taken upon the line from Toronto to Ottawa.

Two semi-personal and important incidents took place in December—one on the 14th of the month being a banquet by the business interests of Toronto to Messrs. William Mackenzie and D. D. Mann; the other on Dec. 21st being a luncheon at Halifax given by the business men of that city to Mr. Mackenzie in honour of the completion by his Company of the Halifax and South-Western Railway to Yarmouth, N.S. Some 300 men representative of the commercial life of Toronto were present on Dec. 14th, with Mr. Peleg Howland in the chair, and Mr. Mortimer Clark, Lieut.-Governor of Ontario, Mr. Z. A. Lash, K.C., Hon. George W. Ross, Mr. Premier Whitney, Mr. Mayor Coatsworth, Mr. R. C. Steele and Mr. B. E. Walker amongst the speakers. In his address Mr. Mackenzie stated that Canadian securities were now well considered in England and that he had found a ready market for those of the Canadian Northern Railway; that prosperity in Canada was general and not local; that the policy of his Company had been to construct roads only as they would earn the interest on the money required; that the district lying between Lake Superior and Hudson's Bay was rich in resources; that he hoped in the not far distant future that different sections of the Canadian Northern Railway would be connected so as to form a complete trans-continental line; that the Company owed much to the advice and assistance of the Canadian Bank of Commerce; that, also, "we laid our roads through the best country we could find and this fact, coupled with the economical management of Mr. D. B. Hanna, has assisted us materially."

Mr. D. D. Mann pointed out that in the past ten years of their work 132 towns with 60,000 people had been located, named and surveyed, along the lines of the Canadian Northern Railway —exclusive of tributary farming population and increased population of towns with more than one railway such as Winnipeg, etc. He announced that the head offices of the System had now been established in Toronto and that this would necessitate the local construction of repair shops, etc. Mr. Lash indicated how small were the Government subsidies in cash or lands to the

C. N. R.—about 5 per cent. of the actual expenditure—in comparison with the grants to other trans-continental projects. The other speeches may be summarized in the phrase "nation-builders" which Mr. Ross applied to Messrs. Mackenzie and Mann and which was echoed in a large portion of the press next day. At the Halifax affair Mr. A. M. Bell, President of the Board of Trade, was Chairman. Mr. Mackenzie, in his speech, described Halifax as the natural port for passenger traffic with Great Britain and indicated that, when the Canadian Northern had consolidated its lines east and west, it would be the terminus of his Railway. Mr. D. C. Fraser, the Lieut.-Governor, also spoke.

The projected extensions of the Canadian Northern were very marked during 1906. On May 28th the Minister of Railways had before him the location maps of further links in the trans-continental chain—from Sudbury to Kashaboine, west of Port Arthur, a distance of 560 miles; from Sudbury to Batchawaung, on Lake Superior, a distance of 170 miles. Toward the end of the year the Department had maps of various projected C. N. R. lines in Ontario including the following, and in addition to the proposed road from Toronto to Ottawa and Montreal—from Toronto to Hamilton, Brantford, Woodstock, London, Chatham, Windsor and Detroit; from Brantford to Port Dover; from Ancaster to Galt, Waterloo, Berlin and Goderich; from Brantford to Waterloo, Berlin, Mount Forest and Owen Sound; from Owen Sound to Collingwood and a junction in the Township of Pickering with the main line east of Toronto; from Kincardine to Barrie, Orillia and Washago, from which latter place there would be an extension to the Georgian Bay; from Pembroke to Peterboro' and Cobourg; from Arnprior to a point on the St. Lawrence in Leeds Township, south of Rideau Lake. On Nov. 16th it was announced that Parliament would be asked to authorize the construction of the following Western branches:

1. A branch from its line at or near Humboldt in the Province of Saskatchewan in a south-westerly direction to Township 29, range 7, west of the third meridian, thence westerly and south-westerly to the City of Calgary in the Province of Alberta.

2. A branch from a point in Township 29, range 7, west of the third meridian, in a south-westerly direction to a point on the Qu'Appelle, Long Lake and Saskatchewan Railroad, between Craik and Bladworth.

3. An extension of the line authorized by Chapter 52 of the Statutes of Canada, 1901, section 5, sub-section (*a*) in a westerly direction to a point in Township 5, range 15, west of the second meridian, thence in a north-westerly direction to Township 16, range 27, west of the second meridian.

4. A branch from a point on its line, at or near Humboldt, north westerly to a point in Township 43, range 26, west of the second meridian.

5. A branch from a point on its railway at or near South Battleford in a westerly direction to a point in Township 44, range 27, west of the third meridian.

6. A branch from a point on its line at or near North Battleford in a north-westerly direction to a point in Township 29, west of the fourth meridian.

7. A branch from its line at Strathcona southerly to Alberta.
8. A branch from Regina south-westerly to a point on the international boundary.
9. From a point at or near Saskatoon south-westerly to a point on the South Saskatchewan River.
10. From a point on its authorized line at or near Edmonton, by the most seasonable route to a point on the Pacific coast.
11. From a point on its authorized line near the forks of the Athabasca and McLeod Rivers south-westerly to the head waters of the McLeod River.
12. From Battleford westerly a distance of one hundred miles.

A little later Messrs. D. D. Mann and W. H. Moore were in Ottawa asking Parliament for an Act to increase the amount of bonds, debentures and other securities which the Company were empowered to issue by $5,000 per mile of its lines of railway other than those from Edmonton to the Pacific coast and in British Columbia; to confirm the agreement made between the Canadian Northern and the Grand Trunk Pacific as to terminals in Winnipeg; to confer authority to raise the money required for the expenditure provided for therein; and to authorize the construction of a number of branch lines or extensions in the West. It may be added that legislation introduced and carried by the Roblin Government of Manitoba during its 1906 Session gave the C. N. R. a further guarantee for its bonds to the extent of $10,000 per mile for 110 miles of railway branches running out of Deloraine and other Provincial points.

During the year the Company suffered a loss by the burning of its boiler shops in Winnipeg; experienced considerable trouble in the stoppage of trains by snow, etc., on its new Regina branch; had controversies with the people of Regina regarding freight rates and received complaints from Saskatoon as to disorganized conditions upon the same line. Like the Canadian Pacific it had difficulty in carrying the Western crop as speedily as the public in some quarters demanded. Amongst the appointments of 1906 was that of Mr. Charles Carey as Superintendent of the Fourth Division with headquarters at Edmonton and of Mr. James Abbott as Assistant-Superintendent with headquarters at Battleford. The Board of Directors was composed of Messrs. Mackenzie, Mann, Lash, Frederic Nicholls and R. M. Horne-Payne of London, England. The general officers for the year were as follows:

Office.	Name.
President	Mr. William Mackenzie.
Vice-President	Mr. D. D. Mann.
3rd Vice-President	Mr. D. B. Hanna.
Chief Solicitor	Mr. Z. A. Lash, K.C.
Treasurer	Mr. A. W. Mackenzie.
Secretary	Mr. W. H. Moore.
Manager	Mr. E. A. James.
Traffic Manager	Mr. George H. Shaw.
Chief Engineer	Mr. M. H. MacLeod.

Mr. J. J. Hill's Western Railway Projects

One of the important events of 1906, from a Transportation standpoint, was the projection of Mr. James J. Hill and his Great Northern interests into the affairs of Canada in general and the further development of his local plans in British Columbia. Born in the Province of Ontario Mr. Hill had not been hitherto conspicuous in the evolution of the Canadian West though he had risen to a commanding place in the railway affairs of the United States. According to figures published in November, 1906, his interests stood fourth in the great railway combinations of the Republic with a total mileage of 19,407, stocks of $495,000,000 and bonds and debts of $269,000,000. The systems ranking ahead of him in these respects were the Harriman, Vanderbilt, and Pennsylvania interests. So far as Canada was concerned he had been associated for a time with the early inception of the Canadian Pacific but not for very long and was for a while in the early "seventies" concerned in a Red River Steamboat business at Winnipeg. Following that early period he had not regarded the prospects of the Canadian West seriously and had devoted all his energies to the development of the United States West until a few years since when he began to branch out in British Columbia and at some places not in British Columbia. By the beginning of 1906 he was stated to have Northern Pacific or Great Northern lines reaching the Canadian boundary, or to within a short distance of it, at the following points:

(1) From the Great Northern main line to Greenbush, near Warroad, on the Canadian Northern at the South end of Lake of the Woods.
(2) From the Northern Pacific to Pembina; two spurs from the Great Northern to Emerson and Gretna, further west.
(3) From the Great Northern to Walhalla, Hannah, Hansboro', Thorne, Sarles, St. John, Bottineau and Sherwood, all separate spurs.
(4) From the Great Northern to the boundary at Sweet Grass (Coutts) and thence to Lethbridge.
(5) From the Great Northern, separate spurs, to Fernie, Kootenay Landing by way of Creston, Nelson, Kaslo and Sandon, Rossland, Grand Forks and Midway.
(6) Also a Northern Pacific line from Mission Junction, B.C., to Seattle and Portland; together with a Great Northern line from New Westminster and Vancouver to the terminus of the main line at Seattle.

Practically he had tapped Canadian territory at some twelve points and was within striking distance at nine others. He had the credit of constructing a great railway which had been capitalized at nearer its construction cost than most others and he was supposed to be able to command all the money needed for any extension of his enterprises. The first practical word of his coming directly into Western Canada, with a serious grasp of the situation, was in the rumours current in January, 1906, regarding a proposed Saskatchewan incorporation for a line running from the City of Regina south to the United States boundary with power to build in other directions also—the Canadian

Central Railway Company. It was understood and stated that similar powers of extension would be asked in Alberta and Calgary's Board of Trade at once passed a Resolution, though not without opposition, asking Mr. Hill to bring his lines to that city. In March it was generally believed that lines would be run by Mr. Hill from Havre, Montana, to Medicine Hat and thence to Edmonton with a branch to Calgary; from the border to Maple Creek and Saskatoon; from North Dakota points to Brandon and Portage la Prairie in Manitoba; with an east and west road to connect with the Hill line to Fernie, B.C.

Despatches from St. Paul—Mr. Hill's headquarters—were frequent at this time and all bore upon a proposal for great extensions in Canada. On April 2nd the Montreal *Star* had an elaborate study of the situation which stated that the plan involved construction from Vancouver to Winnipeg; that many surveying parties were now out though the exact route was not decided upon; that the Great Northern had now under other names some 500 miles under construction in Canada with plans for, approximately, 1,800 miles; that nearly 4,000 men were already at work; that several new "feeding" lines reaching to the Canadian border were actually under way upon the United States side. This, and other categorical statements, evoked an acknowledgment on April 4th from Mr. Lewis W. Hill, 1st Vice-President of the Great Northern Railway and a son of Mr. J. J. Hill, that a new line from Winnipeg to the coast was going to be built; that only about 900 miles of it remained to be constructed; and that it would be completed a year or two sooner than the Grand Trunk Pacific. He denied any interest in or working agreement with the Canadian Northern and this was supported by similar statements from officials of the latter Company. This announcement evoked wide comment and discussion. It was at once pointed out that considerable legislation would be required from the Dominion Parliament though charters already held would give Mr. Hill a pretty free hand in Manitoba. Under date of April 3rd the Great Northern President wrote Mr. Andrew Strang, President of the Winnipeg Board of Trade, promising to visit that city shortly and saying that he was now "undertaking to build up a new system" which he trusted would develop Winnipeg and the country generally. Speaking in New York to a Montreal *Star* representative on April 20, Mr. Hill said his plans had been greatly exaggerated. Instead of 3,000 miles he only intended to build 1,300 miles in Canada and this was part of a plan he had been working on for the past two years.

On May 8th the Winnipeg *Tribune* published a long interview with Mr. Hill at St. Paul. The railway magnate was described as professing pride in his Canadian origin and his British sympathies; as declaring that he had had an eye on the Canadian West for many years; as favouring the purchase of terminals for his new line in Winnipeg and the pushing forward

of grading on the branch lines from the border to Portage la Prairie and Brandon together with the acquisition of terminals at these latter points. He then went on to say that the through line from Fernie to Winnipeg had been definitely decided upon but that in the matter of the exact route he was only concerned "in tapping a territory prolific in agricultural resources"; that he had "no objection to feed the Canadian Pacific Railway and Grand Trunk Pacific, which ought to be able to haul out all products"; that special attention was going to be given the development of the Crow's Nest Coal region and to the settler who would be greatly benefited through a better supply of fuel; that he believed in building railways at the lowest possible cost with thorough equipment, the best road-bed, the biggest engines and the largest capacity in rolling stock; that the cost of this construction would average $18,000 or $20,000 per mile, or in the neighbourhood of $30,000,000 from Vancouver to Winnipeg.

Mr. Hill proceeded to declare that "new trends of trade" were desirable in Canada and that the tariff should be adjusted; that the Georgian Bay route to the Ottawa and St. Lawrence Rivers should be connected and deepened to 24 feet and could be done in 5 years at a cost of $50,000,000; that he questioned the feasibility of the Hudson's Bay route for grain; that he had no intention of invading Eastern Canada and "under no circumstances" could he divert trade to the United States while present tariffs stood. On May 15th Mr. Hill was in Winnipeg where he addressed some 600 guests at a Luncheon tendered by the Canadian Club with Mr. J. A. M. Aikins, K.C., in the chair. After reminiscences of his early days in Winnipeg and early connection with the Canadian Pacific Railway Mr. Hill proceeded to eulogize the possibilities of Winnipeg, the greatness of agriculture in the West, the value of irrigation, the necessity of more population. He dwelt upon the value of the United States market and its largely increased consumption of food products in the future; and declared that by a year from the coming autumn construction would be finished from the Crow's Nest to the Pacific coast. His Company were going "to do their Canadian business in Canada."

Replying, in an interview at St. Paul on May 22nd, to charges of diverting Canadian trade to United States ports Mr. Hill said: "If it were our intention to haul Canadian products to American ports, would it be necessary to construct new east and west lines? We would be able to do that with our present lines and we would not need to spend $3,000,000 for terminals at Winnipeg. Whatever other people may say about the new line the people of the North-West do not look at it in that way." He stated, a few days later, that 5,000 tons of steel rails had been ordered from the Dominion Iron and Steel Company at Sydney and 25,000 tons from the Sault Ste. Marie concern. At St. Paul, on June 1st, Mr. Hill stated that construction would start at

both ends; that he would not build to Hudson's Bay; that Canada's greatest market was in the United States. He was the guest of the Canadian Club, Ottawa, on June 4th at a crowded Luncheon presided over by Mr. P. B. Taylor, with Messrs. Templeman and Brodeur present and representing the Government, together with Mr. R. L. Borden, Opposition Leader, Senator Jaffray, and many others prominent in the life of the capital. In his address Mr. Hill again proclaimed the importance of agriculture in national development; described Winnipeg as the gateway of the West; stated that were the Georgian Bay Canal built Montreal would be 15 miles nearer Chicago and Duluth than Buffalo now is; declared that when the West had 15,000,000 people it would be the seat of empire for Canada; urged Canadians "to keep the old flag flying to the last tatter"; and advised the people to stop spoon-feeding the West and to give no more land bonuses to railways.

Meanwhile, these proposed plans and the wide accompanying discussion, had indicated opposing as well as favourable forces to the Hill projects. There was little doubt as to public opinion in the West being, in the main, sympathetic. More railways, more competition, greater land values, cheaper rates, was all the cry from Winnipeg westward. The East, however, was not so decided upon the subject and its monetary investments in existing Western railways, in Western trade and industry, and in the transportation of Western products via Canadian channels to Canadian ports, made opinion fluctuate. Upon this latter point Sir Wm. C. Van Horne, in a Montreal interview on April 21st, said: "People who do not think very deeply about railway matters are eager to welcome Mr. Hill's schemes, because they mean competition and thus they look upon unlimited railway competition as a good thing. They forget that every train-load of grain carried from Canada into the United States means a substantial loss to Canada. The grain brought from the West by a Canadian route means that before the shareholders of the railways get a single cent dividend, hundreds of thousands of dollars go to the maintenance of the people of Canada. Canadian grain transported to the seaboard over United States routes means money diverted to the pockets of the American people." The Ottawa *Free Press,* on May 4th, published a map of the Hill lines stretching up into Manitoba, Alberta and Saskatchewan with a view "to grab the Canadian trade of the West."

The matter was discussed in the Senate on May 16th when the measure permitting the Vancouver, Westminster and Yukon Railway (the Hill line) to pass into the prairie Provinces by way of the Yellowhead Pass, was under consideration. Senator James McMullen expressed strong opposition to the proposal on the ground that Canadian roads were now heading for this very Pass and that the powers given were too large; while every ton of freight would be carried to the Hill lines in the States.

Another result of the Great Northern coming into the West would be, he thought, the carrying of Canadian wheat to be ground and mixed in United States mills. The Hon. T. O. Davis, on May 31st, declared that four years ago Mr. Hill was telling the people of Minnesota and Dakota not to move into the Canadian West and that wheat could not well grow in that region—it was too far north. Now he was preparing a railway loop with which to gather in Canadian trade and take it south:

> **He is side-tracking the City of Vancouver, putting it on a branch. He practically puts his main line into Seattle. That is what it means, nothing else, and after he gets that you are allowing him to go through Edmonton. What then? He has already a line running from the boundary line to Brandon and he will find means to get another railway from Brandon to Edmonton; then he will have a railway with one end of it at Minneapolis to take the trade out to the Gulf of Mexico, and the other end at Seattle, coming like a loop and gathering up everything in the Canadian West and pulling it out across the border. There is a great deal of difference in that from roads running north and south.**

Mr. F. W. Morse, of the Grand Trunk Pacific, seemed inclined in published interviews to think that the Hill projects would benefit Canada though not his own Line. Mr. William Whyte of the Canadian Pacific Railway, however, held very different views which he expressed as follows in the Montreal *Gazette* of June 19th: "If Mr. Hill, after completing his railway connections can induce the wholesale dealers of St. Paul and Minneapolis to cut their prices for Canada then the entire western trade of the Dominion will be lost to Eastern Canada, if the country itself is not lost to the British Empire."

This question of United States influence in the matter of both trade and public opinion was a large factor in the discussion. Mr. Hill himself did much to make it so. Addressing the Commercial Club at St. Paul, on Jan. 16th, he had claimed that better trade relations with Canada must be had in order to meet the coming time when the United States would have to import food. In various interviews and speeches he advocated Reciprocity in manufactured goods and agricultural products—notably in Chicago, on Nov. 10th, when he said: "The situation is not unlike that existing between Great Britain and the American Colonies before the Revolution and every turn of the tariff screw by the United States merely creates exasperation and hardens a determination to achieve industrial independence even though it be purchased at the cost of industrial isolation. Each year has seen lately a diminution in the Canadian desire for reciprocity. It is still possible largely because of the downfall of the Chamberlain policy in Great Britain." One result of this address was the formation on Nov. 22nd of the British Association of Illinois with free trade between the two countries as its policy and closer political relations its ideal. In a despatch from Washington to the Chicago *Record-Herald* on July 8th the fol-

lowing interesting view was given of this railway policy and its results:

> As the Canadian West will be drawn closer to the United States than ever it is believed that the people, already strongly in favour of wider commercial intercourse with Chicago, St. Paul and Minneapolis, will soon insist upon it; they will want to buy what they consume at the points where they sell what they produce. In this event the Dominion Parliament must either dismantle the Canadian tariff and bring ruin upon many a Canadian factory in the older Provinces or prepare for the secession of the West.

Canadian press opinions in the Hill developments were varied. A good many eastern papers were non-committal; a few, such as the Toronto *Globe,* welcomed free trade in railways and did not see any danger; the more conservative newspapers, in either a party or financial sense, viewed Mr. Hill's campaign and policy with some apprehension. Diversion of freights to United States railways and the feeding of United States lake and sea ports at the expense of Canadian ports were the main arguments against the projected "invasion." Others were the promotion of general trade north and south instead of east and west; the encouragement of natural tendencies in this respect amongst American Western settlers; the natural eastern feeling that they had heavily subsidized Canadian railways and were expected to now permit foreign competition with their own lines; the contention that the interests, outside of some Western farmers, to profit by this policy were not Canadian but (1) United States railways and (2) United States cities; that, as one observer put it, Mr. Hill's project was to build another trunk line in Canada parallel with his present one in the United States, connect the two by numerous branches and, in this way, to "drain the whole of the richest portion of Western Canada to feed his trunk lines in the United States"; that in the end it would affect Canadian credit by injuring securities such as those of the Grand Trunk Pacific; that, as the *Wall Street Journal* said: "It is simply a linking together of points already reached by Hill lines in the far West, along with a more or less comprehensive plan to tap the more prolific traffic points immediately north of the boundary between Winnipeg and the Rocky Mountains"; that St. Paul, Spokane and Seattle were largely the products of the Hill Railway interests and that they would still remain the aided rivals of Canadian centres.

The London *Free Press,* the Victoria *Colonist,* the Brantford *Expositor,* the Toronto *Mail and Empire,* the Hamilton *Herald,* the Vancouver *Province,* the Hamilton *Spectator,* and the St. John *Telegraph,* were amongst the papers which viewed this movement with alarm or suspicion. *Le Soleil* of Quebec, in the middle of April, expressed the following opinion: "The West has a duty to perform towards the other parts of the Dominion, and that is not to permit its commerce to be turned from its

proper channel, which is the Canadian one, by way of Canadian ports. The eastern Provinces, generous benevolent partners in everything that touches the interests of the West, only ask one thing in return: that the normal and natural outlet of western commerce continues as nature has designed and as the country has developed—through the St. Lawrence and Canadian Atlantic ports." The other side of the question was voiced by the Victoria *Times,* the Montreal *Herald,* the Winnipeg *Free Press* and the *Telegram,* the Vancouver *World,* and the Ottawa *Journal.* Some of the reasons given were the expenditure of millions in construction, the benefits of increased competition, the breaking of Railway monopoly, the freer carriage of commodities, an evidence of faith in Western progress, and the special service to British Columbia mining interests.

Meanwhile, Mr. Hill was going ahead with his various projects. In June the Great Northern or Hill system had lines from Seattle, Wash., to Nelson, Grand Forks and Midway, B.C.; from Bonner's Ferry, Idaho, north to Kuskonook, B.C., and from Rexford, Mont., north to Fernie, B.C. Under the charter of the Vancouver, Victoria and Eastern an east and west line over 300 miles long had been built from Midway via Keremeos and Princeton to Cloverdale, B.C., which is a short distance south of Vancouver. The extensions of the Great Northern into Canada then under construction were from Saint John, N.D., to Brandon, Man., 75 miles; from Neche, N.D., to Portage la Prairie, Man., 79 miles; and from Walhalla, N.D., to Morden, Man., 20 miles. The Brandon extension was built under the charter of the Brandon, Saskatchewan and Hudson's Bay Railway Company, and the Portage la Prairie and Morden extensions were built by the Midland Railway of Manitoba, which also had a charter for a line from Winnipeg south to the international line at Emerson. The line from Boissevain to Brandon was built under the name of the Brandon and Saskatchewan Railway. The 300 mile section from Cloverdale or Vancouver, B.C., to Midway may be regarded as the Western section of Mr. Hill's Winnipeg-Vancouver project. By the end of the year it was estimated that over 400 miles of his general scheme were in active construction, costing about $10,000,000.

The Hudson's Bay Railway Project

A more important matter than some Transportation projects, because more immediately practicable, was the building of a railway to Hudson's Bay in such a manner and direction as to give Ontario or the three Western Provinces a new outlet to Great Britain for their grain. The shortest possible route for a railway from the Great Lakes to the navigable waters of Hudson's Bay is about 250 miles and a pamphlet published in 1906 by the *Monetary Times* estimated the cost of such a road, along lines similar to the construction of the Temiskaming Railway, at $10,000,000. The Governments and Legislatures of Manitoba,

Saskatchewan and Alberta were all on record by Resolution, speech or correspondence, as in favour of a road through their Provinces and the only question was as to the best means and route.

It was understood that Messrs. Mackenzie and Mann held the charter of an old project from Erwood toward the Bay and had commenced construction of a branch line north; while there was a strong feeling in some of the Provinces that the Dominion should aid in the matter as one of inter-Provincial importance. Mr. Walter Scott, Premier of Saskatchewan, speaking in his Legislature on April 3rd, declared that the project was too big a one for the Provinces to handle alone and was of such importance to the whole of Canada that the work ought to be undertaken by the Dominion Government. In the House of Commons at Ottawa on the same day Western members such as Messrs. J. G. Turriff, R. S. Lake, Thomas Greenway and Dr. Schaffner were urging the Government to take action along this line. Sir Wilfrid Laurier, in reply, was rather favourable:

> Sir, I hope that I shall live to see a city at the terminus of a Hudson's Bay Railway at the mouth of the Churchill River. It is not enough for us to confine our views to Canada that is now settled, we must look ahead, we must push northward as far as colonization can go. I have great confidence that before many years are passed we shall see towns and villages on the shores of Hudson's Bay, as we see on the shores of Norway, where the people will be prosperously engaged in the lumbering business, the pulp industry, the fishing industry, the mining industry, and others. This is what I hope Canadians will see ere long.

Ontario, Manitoba and Saskatchewan were concerned in the Boundary question partly because Fort Churchill was a most convenient point as the terminal of such a line and because it might, under the claims advanced, belong to any one of the three. A Resolution in favour of a Government-owned line from Winnipeg to Hudson's Bay was passed by the Manitoba Grain Growers' Convention on March 2nd. The Saskatchewan Grain Growers' Association on Feb. 7th declared itself in favour of immediate inquiry into the subject and demanded a port for that Province on Hudson's Bay. At the Liberal Convention held in Winnipeg on March 28th a Resolution was unanimously passed urging the "early construction" of the road and declaring that the Dominion Government should make the work "a national undertaking." By the close of 1906 the Dominion Government had issued eight charters for the extension of lines to this great inland sea and, it was claimed, a large share of the grain traffic of all western Canada and the north-western United States would, eventually, pass through Hudson's Bay to Liverpool and Europe instead of down the Great Lakes and thence by rail to New York or Boston or Montreal to be shipped across the ocean—for the reason that over the new route there would be a total saving in transportation cost of nearly 50 per cent.

This saving would be brought about because the Hudson's Bay

route is from 700 to 1,300 miles shorter than the present route, and because the greater part of this distance is on the water, thus eliminating much of the rail-haul necessary over the old line, with the consequent re-handling of freight. Such a railway, said enthusiasts, would bring north-western Canada 1,000 miles nearer Europe and place farmers, cultivating 600 million acres of land, in control of the markets of the world by making possible the 50 per cent. reduction in the cost of transportation. It would, moreover, enable the grain of the West to be moved in season and not allow tens of millions of bushels to be tied up each year at the close of navigation. The obstacles, the possibly very short season in Hudson's Bay for the passage of ships, the special vessels which would be required, etc., were not greatly discussed and, despite some scientific and official evidence upon this point public opinion seemed fairly well decided that the route was commercially practical as it certainly was commercially desirable. Upon this point Mr. A. P. Low, Director of the Geological Survey, who had made a study of these waters spoke as follows at Montreal on April 2nd:

> About July 15th the waters of the Strait are safely open to navigation, which cannot, however, be said to extend, as far as the ordinary vessels which frequent this port are concerned, beyond Nov. 15th, making four clear months when navigation is perfectly safe; while for reinforced vessels this season may be prolonged for two or three and perhaps four additional weeks. The danger to safe vessel navigation comes from the great ice-field, consisting of new season's ice, not over five or six feet thick, mingled with small icebergs and "growlers," a name given by Newfoundlanders to icebergs, worn rounded by the waves and making a loud and very peculiar noise as they are whirled over by wave pressure. This ice-field, beginning in the distant North, moves steadily southwards, and reaches the entrance to Hudson's Straits either towards the end of October or early in November, at once, upon arrival, making navigation perilous in the extreme.

Canadian Canals and Waterways in 1906

Of vast import to the comfort and welfare of Canada has been the wonderful waterway represented by the Great Lakes and the St. Lawrence River and connected by a series of expensive canals. The cost of this system—including Canals elsewhere—to June 30th, 1906, was $39,728,801 for construction, and $51,118,078 for enlargement and improvement. The first of Canada's Canals was at the Coteau Rapids and was constructed by the Imperial authorities in 1779. Others followed rapidly—the Lachine in 1825, the Rideau in 1832, the Welland in 1833, the Cornwall in 1842, the Beauharnois in 1845, the Williamsburg Series in 1847. These Canals, with continued improvements from year to year and a policy of deepening the St. Lawrence to a minimum of 14 feet, helped the early transportation of products greatly. Latterly the railways have been a competitive as well as a co-operative influence. There were, in 1906, five Canal systems under the Dominion Government's control:

1. Route between Montreal and the head of Lake Superior including the Lachine Canal 8½ miles in length with 5 locks and costing up to June 30, 1905, $11,475,111; the Soulanges, which superseded the Beauharnois, 14 miles long with 5 locks and costing $6,886,174; the Cornwall, 11 miles with 11 locks and costing $7,181,187; the Williamsburg Series, 12 miles, with 6 locks and costing $10,185,853; the Welland and its branches 26¾ miles with 31 locks and costing $26,080,366; the Sault Ste. Marie Canal 1½ miles with one lock and costing $4,423,675.

2. Route from Ottawa to Lake Champlain, including the Grenville and Carillon Canals, 6½ miles in length with 7 locks, and costing $4,182,093; the Blondeau, St. Ann's and Perth Branch 6¼ miles with 3 locks. The St. Ann's Canal cost $1,170,-216. In this system are also the Chambly and St. Ours Canals costing $758,595.

3. Route from Ottawa to Kingston, including the Rideau Canal of 16½ miles in length with 49 locks and costing $4,085,889.

4. Route from Trenton, on Lake Ontario, to Lake Huron at mouth of River Severn, comprising the uncompleted Trent Canal system which has so far cost $4,423,676.

5. Route from Bras d'Or Lake in Cape Breton Island to the Atlantic coast, comprising St. Peter's Canal and costing $648,547.

The cost of the Canals of the Dominion for construction and enlargement up to June 30, 1906, was $90,846,879; in addition to this there was an expenditure of $23,548,402 for repairs, renewals, maintenance and operation; the general total was, therefore, $114,395,281. The total revenue received to date was $13,513,583. The expenditure for the fiscal year was $2,758,-022; the receipts $108,067, made up chiefly from hydraulic rents. No tolls had been charged since 1903. The total traffic through the Canals for the season of 1905 was 30,811 vessels with a tonnage of 10,287,432, or an increase of 1,858,427 tons. More than half the amount, or 5,473,406 tons, passed through the Sault Ste. Marie Canal. Down the Welland Canal, 1,092,050 tons of freight passed and on the St. Lawrence Canals 1,752,855 tons were moved. Of the through freight Canadian vessels carried 369,866 tons or an increase of 61,144 tons; and United States vessels carried 478,141 tons or an increase of 166,785 tons.

During 1905 and 1906 various improvements in Canal navigation continued to be effected. The distance between Montreal and Port Arthur, as a 14-foot navigation, comprised 73 miles of canal with 48 locks and 1,150 miles of lake and river waters, or a total of 1,223 miles. Better lighting was a matter of constant effort. Installations for electrical operation were effected in the Welland and Lachine Canals. The deepening of the approaches to the Welland Canal at its Port Colborne entrance was continued —including new docks and elevators and construction of a break-

water. Some similar improvements were carried on at the Sault Canals. In the 1905 season the tonnage through this and the United States Canal of the same name and locality reached the enormous figure of 21,679 vessels, a registered tonnage of 36,617,699, a total freight tonnage of 44,270,680, and a value in its freight carried of $416,965,484. Taking this whole wonderful waterway and the confidence shown in its future by successive Canadian Governments, in the expenditure of over a hundred millions upon its improvement and development, and the coming result of a continuous procession of vessels ranging from 4,000 to 10,000 tons, heading for the national port at Montreal, does not seem improbable.

Much, however, remains to be done and something was effected in 1906 in the clearing of a way for better harbour accommodation at Montreal. The most important Government action of the year in connection with waterways was, in fact, the assumption of complete control in that harbour. On March 14th the Council of the Chambre de Commerce recommended the abolition of the existing Board of Harbour Commissioners—in existence since 1830 and numbering amongst its members many of the most respected of Montreal's citizens—and asked that Montreal be made a national port. The Board of Trade, on March 15th, approved a Memorial to the Government asking for a complete re-organization. Various newspapers favoured a similar policy and a Bill passed Parliament during the 1906 Session creating a new Harbour Commission of three members and granting to it powers not very different from those held by the superseded body. The subject was discussed in the House of Commons on April 4th, April 17th, April 27th, July 3rd and other dates. On April 18th the Hon. L. P. Brodeur, speaking for the Government, had presented and explained his measure as follows:

> The object of the Bill is to re-organize the Harbour Commission of Montreal. Several representations have been made to the Department by the Boards of Trade and others asking that a re-organization should be made of the Harbour Commission and it was found advisable after having given the matter serious consideration to re-organize the Board. There are at present 11 Commissioners; six are appointed by the Government and five are nominated by different local bodies—the Board of Trade has one representative; the Corn Exchange one; La Chambre de Commerce one; the Shipping Interests one; and the City of Montreal is represented by the Mayor who is a Commissioner *ex officio*. Contracts were given some years ago to carry on certain works in the harbour and for different reasons those works have been greatly delayed. It has become advisable and indeed urgent that the constitution of the Board should be re-organized in order to push more actively to completion the works which are now pending. . . . It is provided that the eleven Commissioners shall be replaced by three Commissioners who will be appointed during pleasure by the Governor-in-Council. I am free to say that this step which we are now taking is in the direction of making Montreal more and more a national port.

On Oct. 5th the old Board met and elected its officers for the

last time—Senator Robert Mackay being again chosen as President. Rumours were, meanwhile, many as to the composition of the new Board and the favourite press nomination for its Presidency seemed to be the Hon. J. Israel Tarte who, however, was eventually stated to have declined the post. On Dec. 1st it was announced that Major George Washington Stephens, M.L.A., a wealthy business man, greatly interested in politics, militia, and education, had been appointed Chairman with Mr. C. C. Ballantyne, lately President of the Canadian Manufacturers' Association, and Mr. L. E. Geoffrion, a member of the late Board, as his colleagues. Upon the general subject of transportation from the head of navigation to the sea Mr. H. T. McDougall of Sydney presented the following plan to the Maritime Board of Trade on Aug. 16th:

1. A fleet of steamers to carry grain from the head of the Great Lakes to eastern points on the Georgian Bay in Ontario.
2. An air-line double track railway from a point on the Georgian Bay over the most direct and shortest route to the City of Montreal.
3. A fleet of steamers to carry grain from Montreal to European points and from Montreal to Sydney, and return cargoes of coal to Montreal and points on the St. Lawrence.
4. Modern elevator, storage and trans-shipping equipment at Port Arthur, Fort William, and at a point on the Georgian Bay, Ontario; Montreal, Quebec ; St. John, N.B.; Halifax and Sydney, Nova Scotia.
5. A ship-building plant and docks in the harbour of Sydney, Nova Scotia, and at Halifax.
6. Milling plants at a Georgian Bay point, Montreal, St. John, Halifax and Sydney.

Meantime, the Shipping Federation in Montreal, of which Mr. Hugh A. Allan and Mr. James Thom were, respectively, President and Chairman, had taken great interest in the improvement of navigation on the St. Lawrence, from Montreal to the sea, as being preliminary and essential to the establishment of any really fast line of steamships to Great Britain. A better pilotage system, better shipping facilities at the Port of Montreal, lower insurance rates, greater width and depth of channel, and larger vessels for freight, were amongst their suggested reforms. On Feb. 21st the Federation sent a deputation headed by Mr. H. A. Allan to lay these and other wishes before Mr. Brodeur, Minister of Marine and Fisheries. The latter expressed his earnest sympathy with the desire to make the St. Lawrence a safe popular waterway. A few days before Mr. Brodeur had been speaking in Montreal (Feb. 14th) and had made the following pertinent remarks upon the general subject: "The St. Lawrence route has frequently been the subject of attack, as being dangerous to vessels, but what happened when an accident occurred on a railway? Only two or three lines were devoted to such an affair in the paper; while the fact itself was often not so much as mentioned. But on the other hand, the slightest mishap to a vessel on the St. Lawrence route was immediately blazoned

forth to the world. Eleven accidents had occurred during the past year on the St. Lawrence route; and, he affirmed, without the slightest fear of contradiction, that not one of these was due to imperfections in the channel." Speaking at Quebec, May 19th, Sir T. G. Shaughnessy was emphatic upon the necessity of bettering this route:

> I shall be much disappointed if it be not quickly demonstrated that the passenger possibilities of the St. Lawrence route are infinitely greater than anybody was inclined to believe, but if we are to accomplish all that is anticipated there are many things to be done. We must have the waterway from the ocean so lighted and buoyed and so free from obstruction as to practically remove the last element of danger. We must have wharves and facilities that will enable the traffic to and from ships to be handled with economy and despatch. . . . We have done much to improve the St. Lawrence route, but much remains to be done. The United States Government spends many millions in deepening the harbours of New York, Boston, Portland, Philadelphia, Baltimore, New Orleans, etc., and millions more on its harbours on the Great Lakes. If we are not to be rendered dependent on American ports we must do our utmost, regardless of expense, I might also say, to improve the St. Lawrence route. The well-being of the whole Canadian people is involved. It is the political future of the country. It is by all odds the most important question of the day. Unless we complete a thorough system of improvements based on scientific principles we cannot hope to retain the rapidly-growing traffic of the North-West within Canadian channels. Much of it now finds its way to American ports ; much more will go that way unles we bestir ourselves.

The Trent Canal was one of the special subjects of popular interest during the year. This waterway, which would when completed, extend from Georgian Bay to Lake Ontario and naturally control a considerable portion of the grain-carrying trade of the Great Lakes, was being pressed forward to rapid completion. At Peterborough the biggest hydraulic lift-lock in the world had been constructed and a second was under construction. It was expected that 160 miles of the necessary 192 miles would be finished very shortly—according to the 1906 Report of the Deputy Minister. A large delegation from Peterborough, and other points along the route of the Canal, visited the Minister of Railways and Canals at Ottawa on March 29th; and Mr. R. J. McLaughlin of Lindsay presented the case for the delegates. About $5,000,000, he observed, had been spent on the project already and it was all sealed up until the waterway was completed. The Canal was demanded by the grain-carrying trade. Unless Canada supplied this means of transportation its grain would pour into the port of New York instead of into Montreal and Quebec. The Erie Canal was being improved to secure the Canadian business yet the Trent Canal was a shorter route. The railways were preparing for an increased production of grain but the Government was not doing as much. The people wanted the Trent Canal large enough to float barges 8 feet 4 inches deep.

Others representing Campbellford, Port Hope, Lakefield,

Cobourg, Orillia, Trenton, Bobcaygeon, Whitby, Barrie, Minden, Belleville, Hastings, etc., delivered addresses. Mr. Barlow Cumberland of Port Hope pointed out that "the waterway had one thousand miles of short line, passed through twelve counties, and had on its route twelve to fifteen large towns, the majority of them rapidly growing into cities." In his reply the Hon. Mr. Emmerson stated that all the survey and field work had been completed and the plans and estimates were now being prepared. At, he hoped, the November Session of Parliament the necessary appropriations would be made and "amounts placed in the estimates for the completion of both the outlet and inlet of the Canal." In the House of Commons on May 14th Mr. R. R. Hall made a notable speech upon this subject. The completion of the Canal meant development for a large section of the country; it meant cheaper freight rates; it meant the possible utilization of 100,000 horse-power or the equivalent of 1,000,000 tons of coal; it meant cheaper milling and the grinding of grain at home.

The Dominion Government acted in other explicit directions during the year. Work was commenced on the better lighting of the Pacific coast and life-stations were promised. The dredging of the Fraser River in British Columbia was continued and an effort made to ensure a safe and straight channel 300 feet wide and 20 feet deep from its mouth to above New Westminster. On Sept. 27th, the Hon. Mr. Templeman conferred with the Municipal Council of Victoria upon the question of improving the harbour facilities of that seaport. From many parts of the Dominion came requests for aid in improving harbours and helping various waterways and ports. Some were considered, some dealt with, and some put aside. The total expenditure upon Canals alone was $2,758,022—a decrease over the fiscal year 1905 of $565,000.

Canadian Steamship and Shipping Interests

During the fiscal year ending June 30th, 1906, steamship subsidies to the extent of $1,227,560 were paid by the Dominion Government as against $1,027,074 in 1905. Over $400,000 of this was paid for mail service and the encouragement of trade with Great Britain and of this the Allans received a large proportion; the Australian Service was given $186,970 and that of South Africa $122,222; the maintenance of the French service cost $73,000; that of Jamaica and South America $78,000; that of Mexico $54,905; and the China and Japan service $79,500. The voting of subsidies for the current year, with some discussion, took place in the House of Commons on July 9th. Upon a new contract, in association with the Canadian Pacific Railway, the Allan Line received $225,000 for carrying the mails to Great Britain. Under the terms of this arrangement it was hoped that a better service would be established. In speaking of the matter the Prime Minister said that the Government and the Steamship Companies, alike, had been desirous of suppressing

the port of call at Moville, Ireland, as being quite unnecessary but they had not yet been able to persuade the British Government to see the subject in the same light. A little later he received a Memorial signed by 80 members of the Imperial Parliament specifying reasons for not withdrawing the steamers from that Port. It was decided, however, to abandon the route.

For direct monthly steam communication between Canada and South Africa $109,500 was voted to the Elder-Dempster and Furness-Withey Companies. Trade with these Lines increased during the year and a good export business was done by them. To the Steamboat Service upon the Atlantic, between Canada and Mexico, $75,000 was granted and a satisfactory experience reported in the matter of export trade and passengers. As with the South African Line, however, there was little return cargo. Later in the year active efforts were made by Captain T. H. Worsnop, representing a British Company, to establish a line of Pacific steamers from British Columbia ports to Mexico and both Canada and Mexico agreed to grant a subsidy. An effort was made to promote direct steam communication between Newfoundland and North Sydney, N.S., and for this purpose $20,000 was voted. A more frequent service was the object. The following were the Steamship lines running from Canadian ports —the summer port of departure in Canada being given first and the winter port or ports second:

Line.	Ports from.	Ports to.
Allan, H. & A.	Montreal and Quebec.	Liverpool, Glasgow, London and Havre.
" "	St. John and Halifax.	
Alley Line	Vancouver	Fiji and Australia and New Zealand Ports.
Canada and Jamaica	Halifax	Santiago and Kingston.
Canada and Mexico	Montreal	Mexican Ports.
" "	Halifax	" "
Canada and S. Africa	Montreal	Cape Town and Port Elizabeth; East London and Durban.
" "	St. John and Halifax.	
Canadian-Australian	Vancouver	Honolulu and Suva, Brisbane and Sydney.
Canadian Pacific Railway—		
Atlantic	Quebec	Liverpool and Bristol.
"	St. John and Halifax	London and Antwerp.
Pacific	Vancouver	Australian Ports.
Dominion	Montreal	Liverpool, Bristol and Glasgow.
"	St. John	
Donaldson	Montreal	Glasgow.
"	St. John	
Furness	Halifax	Liverpool, London and Havre.
"	St. John	
Head	Montreal and Quebec.	Belfast and Dublin.
"	St. John	
Leyland	Montreal	Antwerp.
Lord	Montreal and Quebec	Cardiff.
Manchester	Montreal	Manchester.
"	St. John	
Pickford & Black	Halifax	Jamaica and Demerara Ports.
Plant	Halifax	Boston.
Red Cross	Halifax	New York.
Thomson	Montreal	London, Leith and Aberdeen.
Trans-Pacific Royal Mail	Vancouver	Japan and China Ports.

The Allan, C. P. R., Thomson and Dominion Lines had weekly and fortnightly services; the Lines running to Mexico, South Africa and Australia, together with the Lord Line, had monthly sailings; the Jamaica, Trans-Pacific, Head, and Manchester Lines had fortnightly services; the Donaldson and Red Cross sailed weekly; and the others varied according to season and destination. The question of steamships and the mails was discussed during 1906 and was one about which some important practical action developed. The first point was the arrangement between the Allans and the C. P. R. by which the Atlantic mails were to be carried by the fastest boats of each Line with both sharing in the Dominion subsidy; the second was the building and successful operation of the Empress Line of steamships by the C. P. R. upon the Atlantic route; the third was the consequent increase in speed upon this latter route, the rushing of fast mail trains across the continent, and the speedier transport of the mails upon the Pacific Line of the C. P. R. in order, partly, to obtain the renewal of its existing subvention from the Imperial authorities.

In connection with the Allan and C. P. R. combination for carrying mails it was decided to make Quebec the summer port of their steamers and it was hoped that, with the addition of the fast Empress ships to the Allan turbiners—*Victorian* and *Virginian*—the carrying of the United States mails might also be obtained; especially as they were now being carried by practically British Lines with 191 nautical miles in favour of the Liverpool to Halifax route as against the Liverpool to New York route. On Jan. 27th, 1906, the *Empress of Ireland,* the second of the new C. P. R. steamships, was launched at Govan on the Clyde. This sister ship to the *Empress of Britain,* which had preceded it by a few weeks, cost $2,000,000. It was a twin-screw vessel of 14,500 tons and 18,000 indicated horse-power; 550 feet between perpendiculars, 65 feet moulded breadth and 40 feet moulded depth to the principal deck. It could steam 20 knots but the ordinary rate was intended to be 18 knots. Meanwhile, the first-launched vessel—the largest passenger steamer which ever entered the St. Lawrence—had made a fast run from Liverpool to Quebec in 6 days and 16 hours, carrying some 1,500 passengers. It reached Quebec on May 12th and on May 19th a great banquet was tendered in that city to Sir T. G. Shaughnessy in honour of the event and in recognition of his Company having made Quebec the terminal point of the Empress liners.

Amongst those present at the banquet were four Members of the Dominion Government and Mr. R. L. Borden, the Opposition Leader. The first word of the C. P. R. President in his address was to say that had the condition of the channel between Quebec and Montreal been different it would have been in their own interest to keep the latter as their terminal port. Such, however, was not the case. His speech was an appeal for greater

improvements in the St. Lawrence waterway, for national ports, for Canadian railways. Upon the more immediate matter he said: "The advent of the Empress Line marks a new and distinct epoch in the history of St. Lawrence navigation. Larger, faster and vastly more expensive than any vessels heretofore engaged in the trade, they will furnish opportunity to determine if the passenger traffic of the Atlantic ocean can be attracted to our ports in such volume as to warrant, not only ships of this class, but even larger and speedier ones; because however large the subvention that might be granted by the Government to secure a faster mail service, the project could not be satisfactory unless it possessed commercial stability as well." Starting from Liverpool on June 29th the *Empress of Ireland* made her maiden voyage, carrying the Anglo-Canadian mails and the mails for China and Japan, and reaching Rimouski in 5 days 22 hours—said to be four hours faster than the record on this route. A further development in this plan of rapid transit and mail delivery was the successful undertaking to place the British mails in Hong Kong, by the C. P. R. route, in 29 days. This was accomplished as follows:

Steamship left Liverpool, England	August 24.
Steamship arrived Quebec, Canada	August 31.
Over-seas mail reached Vancouver, B.C.	September 4.
Empress of China reached Yokohama, Japan	September 16.
Arrived at Hong Kong	September 21.

At the full limit of speed it was expected that this rate could be improved by four or five days. Meanwhile, the C. P. R. with its various steamship interests was facing other problems. In order to facilitate the carrying of mails its management, and that of the Allan Line, decided during the next winter season to call at Halifax with the Allan turbiners only and at St. John with the Empress liners. This proposed change caused intense dissatisfaction at the former port. A public meeting was held on Sept. 27th and strong Resolutions of protest passed upon the ground that Halifax was the nearest available port for landing and embarking Canadian mails; because the people of Nova Scotia, Prince Edward and Newfoundland, as well as the rest of Canada, would receive their mails 24 hours later if not landed at Halifax; because many business interests would be seriously injured. Pressure was brought to bear upon the Ottawa Government which, under a clause in the original agreement with the Allans, ruled that the Empress Liners must go from St. John to Halifax to receive and deliver the mails. The C. P. R. claimed that it would not have gone into its arrangement with the Allans had this necessity been known to exist. It also declared that the delay would be sufficient to check the effort it was making to compete with New York in the matter of mails and passengers.

Late in the year (Nov. 23rd) a special effort was made to assert the position of Halifax in the matter and British mails

landed there from the *Empress of Ireland* were rushed to Montreal over the Intercolonial Railway in 19 hours and 15 minutes —reaching Montreal by the time the Empress had arrived at St. John. In speaking at Quebec on May 19th Sir T. Shaughnessy had described St. John as the C. P. R. winter port and illustrated its progress by the tonnage of export freight rising from 32,606 in 1895-6 to 363,821 tons in 1905. "Under existing conditions there is not another possible winter port on the Atlantic coast of Canada. Halifax, it is true, is in many respects better equipped than St. John, but it is too far away from the points where the ocean tonnage originates. St. John itself is handicapped because it is 180 miles further from Montreal than is Portland and 140 miles further than Boston; while the railways can get no higher rate for carrying traffic to St. John than to either of the nearest ports. If we were to attempt to increase this disadvantage by the additional 275 miles to Halifax, the handicap would be too great and the Railway would either be compelled to carry the business at a very serious loss or give it up."

It may be added here that at the opening of navigation in 1906 the three chief St. Lawrence services were the Canadian Pacific with 21 vessels, a gross tonnage of 155,690 and an average size of 7,414 feet; the Allan Line with 28 vessels, a gross tonnage of 147,592 and an average size of 5,271 feet; the Dominion Line with 14 vessels, a gross tonnage of 89,729 and an average size of 6,409 feet. The C. P. R. Empress steamships on the Pacific were 6,000 tons gross and 10,000 horse-power. In other directions the latter corporation was active. On Sept. 1st, the *Princess Royal,* a steamship of 227 feet in length, 40 feet beam and 17 feet moulded depth, costing about $250,000, was launched from the works of the British Columbia Marine Railway Company at Esquimalt for use on the Alaskan-Victoria route. It was an intermediary vessel between the *Princess Victoria,* and the *Princess Beatrice* of the C. P. R. Line. A new steamship service was also organized between Belfast and Canada and the first vessel—the *Lake Erie*—left for Canada on Aug. 13th.

Most of the Lines prospered in or about 1906. The Allans were stated to have carried 10 per cent. more passengers than in 1905 and the Dominion Line 15 per cent. more. The former Company's westward traffic with its fleet was, in the whole of 1900, 27,940 persons; in 1906 (seven months) it was 47,467 persons. Two new steamers were also put in construction. The Dominion Company besides increasing its passenger traffic to 25,815 persons westbound and 4,078 eastbound was given the privilege of carrying a Saturday mail service to Great Britain. The Postmaster-General, Hon. Mr. Lemieux, had conferred with representatives of Montreal opinion and business interests during the summer and found that this was really required. The Robert

Reford Company of Montreal, controlling the consignments of the Donaldson, Thomson and Lord Lines, reported in December, 1906, a marked improvement in traffic and the employment of 101 steamers carrying 260,072 tons, or an increase of 43,792 tons over 1905. Messrs. Furness, Withey and Company, Agents for the Manchester Lines and the South African Service, had 23 voyages of the former ships with a tonnage of 62,229 and two of the latter with a tonnage of 5,594. The Head Line had a slight improvement in business.

Of the inter-Provincial trade by water the total amount of Nova Scotia coal discharged at Montreal during the year was 1,357,265 tons as against 1,257,208 tons in 1905. The Montreal Transportation Company operating on the River and the Great Lakes carried 13,000,000 bushels of wheat as compared with 5,000,000 bushels in 1905; they employed 50 vessels and reported a profitable business. The Richelieu and Ontario Navigation Company, plying between Montreal, Toronto and Hamilton, had a new steamship under construction similar to the *Montreal* and this was launched on Dec. 22nd. The year was said to have been the most successful in the Company's history with an increase of 21,817 in the number of passengers carried and of thousands of tons in the freight carried. During August Mayor Coatsworth of Toronto wrote a scathing picture of what he described as the mismanagement, over-crowding, and discomfort prevalent in one of the R. & O. Company's boats running down the St. Lawrence. He requested an investigation at the hands of the Dominion Government which was not, however, given. On Aug. 20th Mr. J. Kerr Osborne replied in the press with a defence based upon the fact that in August every means of transportation is crowded and that very large steamers could not be employed between Prescott and Montreal.

Upon the Great Lakes, and some minor ones, various evidences of growth in transportation were visible during 1906. In January it was announced that the Farrer Transportation Company had decided to build a 9,000-ton steamer for the Lake grain trade with others under construction for the Midland and Montreal Transportation Companies. In May it was stated that Messrs. Fred Nicholls, Æmilius Jarvis and other financial men of Toronto had acquired control of the Hamilton Steamboat Company. On July 4th the Lake St. John Colonization Society inaugurated a new Line of steamers upon the Lake of that name. At the close of the year—December 6th—Canada's fast-growing Marine upon the Great Lakes was added to in the launching of the *Midland Prince* from the yards of the Collingwood Shipbuilding Company. The largest boat ever built in Canada, her dimensions were as follows: length 486 feet, width 51 feet and depth 31 feet, with a cargo capacity of 10,000 tons on a draught of 20 feet. The boilers were also the largest ever built in Canada.

A branch of Canadian business and transportation which was

not so satisfactory as the interests indicated above was the continued decrease of the Canadian merchant marine in its general totals. The tonnage of vessels built in Canada at its highest figure had reached, in 1875, 188,098; in 1885 it was 57,486; in 1895, 18,728; and in 1906, after various minor fluctuations, it was again down to 18,724.

The total number of vessels remaining on the registry books of the Dominion on Dec. 31, 1905, including old and new vessels, steamers and barges, was 7,325, measuring 669,825 tons register; being an increase of 173 vessels, and a decrease of 13,013 tons register as compared with 1904. The number of steamers on the registry books on the same date was 2,654, with a gross tonnage of 362,888 tons. Assuming the average value to be $30 per ton, the value of the registered tonnage of Canada, on the above date, was $20,094,750. The number of new vessels built and registered in the Dominion of Canada during the year 1905 was 352, measuring 19,781 tons register. Estimating the value of the new tonnage at $45 per ton it gave a total value of $890,145 for new vessels. The net tonnage of Canadian sailing ships and steamers registered on Dec. 31, 1905, at the principal ports was as follows:

Port.	Total Net Tonnage of Sailing Ships and Steamers.	Port.	Total Net Tonnage of Sailing Ships and Steamers.
St. John, N.B.	33,353	Yarmouth, N.S.	17,625
Halifax, N.S.	20,651	Montreal, Que.	98,691
Lunenburg, N.S.	27,897	Quebec, Que.	17,625
Maitland, N.S.	12,016	Kingston, Ont.	24,689
Parrsboro', N.S.	27,976	Ottawa, Ont.	31,574
Windsor, N.S.	43,746	Charlottetown, P.E.I.	11,924

The value of Canadian vessels sold abroad in 1876 was $2,189,270; in 1906 it was $187,725. The subject was discussed in the House of Commons on April 5th by Mr. E. N. Lewis of West Huron who urged fiscal protection for ship-building.

The total number of vessels employed in the sea-going trade of Canada during the fiscal year 1906 was as follows: British 17,305 with a tonnage of 11,364,395 and Foreign, 12,511 with a tonnage of 5,479,034. The former element increased by 1,000,000 tons over 1905. Of the vessels employed on inland waters (excepting ferries) Canadian numbered 20,038 with a tonnage of 8,936,973 and United States 25,133, with a tonnage of 8,951,770. The latter increased by 1,000,000 tons during the year. British vessels employed in the coasting trade numbered 151,650, with a tonnage of 44,162,720 and Foreign 2,425, with a tonnage of 2,161,342. The total tonnage of all these vessels was 81,056,234—an increase of 4,400,000 tons in the year, 20,000,000 tons in four years and 31,000,000 tons since 1896. Only 11,871,000 tons belonged to sailing vessels.

III. WATER-POWER AND ELECTRICAL DEVELOPMENT

Canadian Resources in Water-Power and Electricity

Canada has enormous water-power capable of development for industrial and other purposes. Niagara Falls, in this respect, is an asset of incalculable value to the Province of Ontario although shared, in part, with the United States. It has been authoritatively estimated that the contents of 6,000 cubic miles of water with a reservoir area of 90,000 square miles, and draining 300,000 square miles of territory, are there discharged through two narrowing precipitous channels only 3,800 feet wide and 160 feet high. The quantity of water passing over the Falls is estimated at 1,000,000 tons per hour, equal to about 275,000 cubic feet per second. Between Lake Erie and Lake Ontario there is a total difference of level of 320 feet and the amount of power presented by the fall of water is calculated in varying figures from 6,000,000 horse-power by the Ontario Power Commission in 1906 up to 16,800,000 horse-power, the estimate of Sir William Siemens in 1877.* The Companies developing this power on the Canadian side are the Electrical Development Company of Ontario, 125,000 horse-power; the Canadian Niagara Power Company, 100,000 horse-power; the Ontario Power Company, 250,000 horse-power. Those on the United States side include the American Niagara Falls Power Company and the Niagara Falls Hydraulic Company, with about 300,000 horse-power between them.

Elsewhere than Niagara Canada's water-powers are very great. In addition to it there are in Ontario those of the Trent Valley district and the Lake Huron and Georgian Bay region where the various rivers provide a large undeveloped force of at least 1,000,000 horse-power for pulp-grinding, wood manufacture or transportation purposes. The Winnipeg River, in the West, and the St. Lawrence River above and below Montreal; the Chaudière and other Falls on the Ottawa and tributary rivers where there is available some 900,000 horse-power; the Montmorenci Falls below Quebec which leap into the St. Lawrence a distance of 250 feet; were all being developed in 1906 along electrical power lines with immense resources still untouched. Grand Falls in the St. John River, N.B., Peribonka Falls in Quebec, Saskatchewan River Rapids in the West, Metabetchouan Falls, Ouiatchouan Falls and Ste. Anne's Falls in Quebec,

* NOTE—The question of the recession of the Falls and consequent gradual diminution of the fall of water was discussed at length in the 1905 Report of the Geological Survey of Canada.

Kakabeka Falls in Ontario, Kamanaskis Falls in Alberta and Bonington Falls in British Columbia, are a few other notable forces in this connection.

Lake St. John, in Quebec, is fed by many rivers providing, within 20 miles, 150,000 horse-power with at least 700,000 horse-power in the entire region of which that lake is the reservoir. In the great chain of lakes and rivers running north and west to the Arctic ocean and in the innumerable rivers of British Columbia there is untold, illimitable water-power of every kind and degree of industrial or general value. Resulting from the exploration of these resources there has been in the past year or two a large and rapid development of electrical power for various purposes; with much public discussion of its control and use. Besides the harnessing of Niagara in which the Electrical Development Company of Ontario was a pioneer and prominent factor; the Shawinigan Water and Power Company had largely developed and applied power from the Falls of that name to manufacturing purposes, and to the supply of Montreal through the Montreal Light, Heat and Power Company; and the British Columbia Electric Railway Company used electricity, obtained by conveying water from Lake Coquitlam, near Vancouver, through a tunnel into another lake.

The electric power works of the Kaministiquia Light and Power Company at Kakabeka Falls, in the vicinity of Fort William and Port Arthur, were opened on October 5th and meant much to the former town, in particular, with an immediate supply of 12,000 horse-power and the approximate supply of 25,000 more. Hamilton, also in Ontario, benefited by its utilization of the power at DeCew Falls for the working of its growing industries. The possibilities of the Ottawa River, along lines of an estimated 1,250,000 horse-power, were discussed as well as those of the projected Georgian Bay Canal route. As to the St. Lawrence the *New York Technical World* in February urged development of its power in order to aid the mines, quarries, pulp-mills, cement works and other industries of a part of New York State. Roughly, its estimate was that "the St. Lawrence River can be made to develop 2,872,000 electric horse-power. Of this total about 644,000 horse-power can be produced near the Lachine Rapids, 1,165,000 near the Coteau Rapids and the Cascades, 623,000 near the Longue Sault, and about 441,000 electric horse-power near the Galops Rapids."

The usefulness of water-power was well shown in the continued growth during the year of the Shawinigan Water and Power Company's works where another unit of 10,000 horse-power was installed. From these works 50,000 volts were transmitted to Montreal for the Light, Heat and Power Company with a terminal station of 15,000 horse-power. Some of the transmission lines were 90 miles in length with a total capacity of 250,000 horse-power and with a number of great industrial establishments tributary to the operation of the power-producing

Company. Mr. F. D. Monk, drew the attention of the Government in the Commons, on March 26th, to the water-powers admittedly under its control and to the vast resources of the Dominion generally in this respect. He quoted Mr. T. C. Keefer's Presidential address before the Royal Society in 1899 in which it was estimated that between the Great Lakes and the Labrador Coast there was 100,000 horse-power for every foot of rainfall and that in the Canadian part of the St. Lawrence, from Lake Superior to Montreal, there was about 10,000,000 horse-power. In this address Mr. Keefer had gone on to say that:

> **Amongst the many partially developed resources of Canada, perhaps there is none more wide-spread or more far-reaching in future results than her unsurpassed water-power. The value of this has been enormously enhanced, first by the expansion of the wood-pulp manufacture, and the introduction of electro-chemical and metallurgical industries for which this country possesses the raw material; and more recently in the revolution which has been brought about by success in transmitting the energy of water falls from remote and inconvenient positions to those where the work is to be done. Electrical transmission brings the power to the work and when the prime mover is water, we have the cheapest power, and perhaps the nearest approach to perpetual motion which it is possible to obtain ; one which is always on tap and, like gravity, maintained without cost and applied without delay.**

On Nov. 28th Mr. Monk drew attention to the supply of power question in Montreal, as between the Companies interested in its supply, and claimed that electricity in Toronto was sold at from 30 to 50 per cent. less. There were other water-powers around Montreal, he added, the Soulanges and Beauharnois Canals, the Chambly River, the Back River, etc. In Montreal, itself, much but fruitless agitation took place during the year upon the subject of cheaper power and lighting. Winnipeg was greatly interested in power questions. According to Mr. T. R. Deacon, at the Canadian Club on April 11th, there was plenty of power available. "The fall from the Lake of the Woods to Lake Winnipeg is about 355 feet. A computation of this volume of water falling 355 feet gives the enormous total of 1,097,000 horse-power as the potential energy of the Winnipeg River between the Lake of the Woods and Lake Winnipeg. Fairly efficient turbines will develop 80 per cent. of the potential energy of a fall and this gives us 882,000 effective horse-power available for work. Allowing the extreme of 25 per cent. for loss in various ways, we still have over half a million horse-power available for actual use which, I believe, the genius of the Canadian engineering profession is quite competent to deliver to the wheels of commerce in our factories." A Report prepared by Messrs. Cecil B. Smith, William Kennedy, Jr., and H. N. Ruttan, City Engineer, was made public on May 4th endorsing a project for developing power at Point du Bois Falls where 63,900 horse-power could be counted on for 24 hours a day. For 50,000

horse-power, the capital charges under this proposal were placed at $622,000.

On May 21st Mr. J. D. McArthur offered an alternative proposition to deliver 50,000 horse-power, within 24 months and in five installments, at rates running from $26 per horse-power for the first 10,000 to $14 for the fifth installment. In the succeeding negotiations it was generally accepted that the power requirements by 1911 would be for a city of 300,000 and of 450,000 in 1921. Mr. McArthur proposed to bring the power from Lac du Bonnet, 60 miles north-east of the City. A Chicago firm, H. M. Byllesby and Company, proposed to develop 100,000 horse-power at rates running from $30 to $17 per horse-power. In June the Manitoba Water Power Electrical Company offered to supply from Silver Falls, on the Winnipeg River, 50,000 horse-power at $12.50 for a period of 50 years. The City, however, decided to go ahead with the Point du Bois project, a Power by-law was carried by 2,000 majority on June 28th, and by December the plant was under construction.

Meanwhile, Edmonton was talking of developing power from the Saskatchewan River. In British Columbia the West Kootenay Power and Light Company, after establishing a large water-power plant near Nelson, asked the Legislature to extend the area of its operations; to which another Power Company at Grand Forks offered serious objection. In Nova Scotia, on Oct. 16th, President Bell of the Halifax Board of Trade said that one of the chief industrial requirements of that City was cheap power. In New Brunswick the Grand Falls Power Company had its Act of incorporation confirmed by the Ottawa authorities and on Dec. 3rd offered the City Council of St. John to supply power to the City at prices which it was guaranteed should not exceed certain maximum figures for thirty years, in return for an exclusive franchise for fifteen years subject only to the rights of the street railway. The prices ran from $40 to $55 per horse-power.

Origin of the Niagara Power Question

The point of most importance and of greatest public attention in regard to Water-power during 1906 was, of course, that of Niagara Falls electric development. So far as Canada was concerned the pioneers in this respect, the financial men who solved the practical natural problem with Canadian capital, for Canadian use, and created by the conditions of their success the ensuing popular question of rates and cost and public ownership in Ontario, were Sir H. M. Pellatt, Frederic Nicholls and Wm. Mackenzie in their formation and development of the Company which first effected the bringing of electric power to Toronto. The Electrical Development Company of Ontario, Limited, was organized in 1902, received its franchises in 1903 and brought the power into Toronto in 1906 by means of an associated concern, the Toronto and Niagara Power Company. Back of this simple statement, however, was the meeting of heavy financial require-

ments, the assumption of serious responsibilities, the conquest of engineering difficulties, the risking of personal capital. The situation was well illustrated by Mr. W. M. German in the House of Commons on May 29th when he spoke of the two other Companies on the Canadian side as being organized on a basis of United States capital in order to provide an export of power to the United States side. "It is interesting to hear this discussion and to see the agitation which is at present being aroused throughout the Province of Ontario in reference to electrical power, when we know that only seven years ago it was absolutely impossible to get any man of financial standing in Ontario, or any Municipality either, to take the slightest interest in the development of electric power at Niagara Falls."

Upon the final success of this Company's project turned the awakening of Ontario to the importance of its great water-power and the value of electricity; the campaign of Mr. Adam Beck throughout the Province in support of municipal ownership; the appointment of two Commissions of Inquiry; the newspaper abuse from time to time of the capitalists who had won victory out of apathy and achieved success by anticipating public requirements. In the 3rd annual Report of the Company (Feb. 6, 1906) it was stated that English capital was then being readily invested in their securities; that an arrangement had been made with the Toronto and Hamilton Railway Co. and the Toronto and Niagara Power Co. for purchase of electric power and rental of the Power Company's right of way; that a transmission line to Brantford and other parts of Western Canada was contemplated and that the terminal station at Toronto was nearly completed. The expenditure on the plant to date was given as $9,414,995 and on real estate, for right of way transmission lines, etc., as $1,587,-279. The capital stock was $6,000,000, with 1st mortgage bonds of $10,000,000. The President of the Company was Sir Henry M. Pellatt, with Mr. Frederic Nicholls as 1st Vice-President and General Manager and William Mackenzie, Senator Cox and James Ross of Montreal as the other Directors.

At a meeting of the Company on Aug. 7th authority was given to acquire the Niagara Falls Electrical Transmission Co. which would distribute power in New York State as the Toronto and Niagara Falls Co. did in Ontario. The President stated that the plant of the Company would furnish a total development of 125,000 horse-power. After supplying the Canadian market there would still be a large quantity of horse-power undisposed of which must be sold in the United States. He explained that the Niagara Falls Transmission Co. would be owned and controlled by the Toronto Company, and it was expected that large blocks of power would be sold on the American side. He added that the Buffalo, Rochester and Lockport Railway, then in course of construction, would be a power consumer, as well as other lines then in operation or in course of construction. The Directorate was increased by the addition of Messrs. W. R. Brock and E. R. Wood of

Toronto and A. M. Grenfell of London, England, with Mr. H. H. Macrae as General Manager.

Meantime arrangements had been made to supply the Toronto Electric Light Co. and the Toronto Street Railway with electric power at from $35 to $40 per horse-power and, on Nov. 19th, Niagara was finally harnessed and its first lines to Toronto put in operation with from 10,000 to 15,000 horse-power distributed between the two concerns just mentioned. In supplying the electrical plant for this consummation of power development much credit was due to the Canadian General Electric Company—another concern practically controlled by Mr. F. Nicholls. According to *The Globe* of Dec. 20th, it had in this respect performed a feat unequalled in Canadian electrical installations and had "executed a larger contract in electro-hydraulic machinery than any other firm in the world." The Report of the Electrical Development Co. of Ontario, for the year ending Dec. 31st, 1906, showed an investment account of $11,341,048; rights of way and stocks of subsidiary companies totalling $2,912,235; outstanding bonds of $7,665,000; total assets and liabilities of $14,352,127.

It may be added that upon the occasion (May 9) of laying the corner-stone of the Power-house of the Company at Niagara Falls by Mr. Mortimer Clark, Lieut.-Governor of the Province, the history, progress and financial importance of the undertaking were reviewed by Sir H. M. Pellatt, Messrs. F. Nicholls, W. R. Brock and Byron E. Walker. Sir Henry Pellatt well indicated the importance of the occasion and of the question which had just been precipitated into the political as well as industrial arena by Mr. Beck's Power Bill when he said: "We are on the eve of one of the greatest revolutions the world has ever known—a revolution which in its importance and far-reaching effect can be compared only with the invention of machinery and the discovery of steam power." Mr. Nicholls dealt with their many hours of individual worry and uncertainty, the natural difficulties of construction, the building of a huge coffer-dam, for instance, to hold back 26 feet of Niagara's sweeping torrent. They had taken their reputations in their hands and invested millions of dollars. They were now proud of success as Canadians as well as business men. The Lieut.-Governor spoke strongly of what was due to capital in such a connection; Mr. Brock feared that political talk of public ownership and expropriation would hurt Canadian credit in the markets of the world; and Mr. Walker expressed, as a banker, the following views:

> No men are more important to a country than those who make possible that industrial development without which a country cannot grow. But after these men have accomplished their work and are about to reap their just reward, the people sometimes seek to deprive them of it, and to appropriate their work themselves. They are very willing to do so when the risk is over. I know no way in which we can reach the complex industrial condition we hope to reach unless the people are grateful for having the great captains of industry who possess expert ability,

MR. FREDERIC NICHOLLS.

Vice-President and Managing-Director Electrical Development Company of Ontario, Limited.

LIEUT.-COLONEL SIR HENRY MILL PELLATT.

President of the Electrical Development Company of Ontario, Limited.

knowledge and enterprise for the carrying out of important works. It often irritates me when I hear people talking lightly of great works of industry, people who never put their minds to it to understand what it means to carry such works to completion. Gentlemen, these are not the kind of works which it is given to Commissions and politicians to carry on.

Report of the Ontario Power Commission

The Ontario Power Commission which reported to the Municipalities concerned on March 28, 1906, was not an official or political body. It came into existence as the result of an Act passed in 1903 giving the municipalities of Ontario the right to appoint a Commission to inquire into " the feasibility and desirability of securing the establishment and operation of Municipal power, heat and light works and to report full particulars of power consumed and required together with the probable capital required and operating costs and the rates necessary to be charged." The Municipalities of Toronto, London, Brantford, Stratford, Woodstock, Ingersoll and Guelph eventually combined under this Act and Messrs. E. W. B. Snider of St. Jacobs, P. W. Ellis of Toronto, W. F. Cockshutt, M.P., of Brantford, R. A. Fessenden, Electrical Engineer, of Washington, U.S., and the Hon. Adam Beck were appointed as a Commission. Messrs. Ross and Holgate of Montreal were appointed to investigate the engineering aspects of the question.

As finally made public the Report declared that the present power consumption of the seven Municipalities mentioned above was 73,631 horse-power; that in two years it would be 87,883 horse-power; that the approximate present consumption of eleven other municipalities—Hamilton, St. Thomas, Paris, Dundas, Mitchell, St. Mary's, Berlin, Waterloo, Preston, Hespeler and Galt —was 25,800 horse-power; that to all the 18 localities mentioned the transmission of power from Niagara could be made under most advantageous conditions; that the capital cost of development, transmission and distribution, including interest and sinking fund for construction period, and excluding only the cost of distribution for the eleven additional municipalities, would be as follows for the whole eighteen: For 30,000 horse-power $6,684,629; for 60,000 horse-power $9,354,611; for 100,000 horse-power $11,909,100. In these three divisions of quantity the estimated total annual expenses of all kinds would be, respectively, $859,610, $1,138,551 and $1,413,634. The capital costs in the seven municipalities primarily under investigation may be given here in detail:

Capital Cost of Development, Transmission and Distribution.

	For 30,000 Horse-Power.	For 60,000 Horse-Power.	For 100,000 Horse-Power.
Toronto	$4,323,096	$6,265,424	$6,216,137
London	847,119	1,095,356	945,185
Brantford	429,152	571,097	509,248
Guelph	317,441	425,386	377,821
Stratford	329,923	431,018	368,154
Woodstock	216,226	278,939	244,589
Ingersoll	221,672	287,391	249,754

It was estimated that the capitalized value of the savings, in supplying the net present requirement of 55,325 horse-power, would be $37,000,000, less about $4,000,000 for displacement in plant and any equipment. In detail the estimated annual savings, representing the difference between existing costs and those under a 100,000 horse-power municipal development, were $78,257 upon the arc-light service or a reduction upon existing costs of 45 per cent.; $92,537 in the incandescent light service or 21 per cent. reduction; $769,531 in the industrial motive power or 69 per cent. reduction; $924,233 in other motive power, or 77 per cent. reduction. If, the Commissioners added, this municipal plan should be largely extended beyond the seven municipalities dealt with " the costs would be further reduced and the aggregate saving to the participants would reach colossal figures." In the matter of industrial development possibilities the Commissioners were enthusiastic:

> **The municipalities represented by your Commissioners are pre-eminently manufacturing and industrial communities. They are equipped by nature to excel. They enjoy a high degree of proficiency in the manufacturing arts. The overflow of their aggressive and self-reliant enterprise has pushed their products into many lands. The barriers of cheap labour and other natural conditions which might have kept them out, have been overcome. From the greatest economic leverage that Niagara power—unloaded by corporation tribute—will give, an incalculable stimulus to the productive and competitive efficiency and enterprise of their manufacturers will be derived. The economic conditions will not only, in obedience to natural law, beget an increasing activity, but they will also attract to the district the enterprise of others. As a result, therefore, of such development as is herein considered, a great stimulus to manufacturing activity may confidently be expected. If, however, all the municipalities that are capable of being efficiently served by a Niagara Falls development were to combine and carry out an undertaking corresponding to their needs and prospects, it would exercise an influence upon their future that cannot be estimated and that the past industrial history of Ontario affords no parallel to.**

Mr. R. A. Fessenden contributed scientific and technical data in the form of elaborate statistical and detailed figures as to the cost, etc., of power to the seven municipalities dealt with. He estimated the direct value of the water-power obtainable from the waters of Niagara at $2,000,000,000 with, approximately, 6,000,000 horse-power. He declared it a conservative view to be that out of the saving between the cost of water-power and steam power $120,000,000 could be saved yearly by the people under any adequate development of the resources of Niagara. Practically, $250,000,000 would be nearer the mark. In his detailed tables Mr. Fessenden stated the cost of power per annum at Niagara Falls switchboard to be $8.39 for 30,000 horse-power, $5.89 for 60,000 horse-power, and $4.95 for 100,000 horse-power. The capital costs of a Niagara plant for these three amounts of horse-power, he stated, at $2,004,245, $2,725,870 and $3,855,695,

respectively. The Commission recommended (1) that municipal development along public ownership lines be carried on upon a scale suited to the number of municipalities served; (2) that in the event of others not coming into the scheme it should be taken up by the seven municipalities which were represented by the Commission; (3) that a specific site within the Park limits should be selected for the Power-works required.

The Report was the object of some laudation and some criticism—the outspoken advocacy of Municipal acquisition and control being necessarily a subject of different opinions. The Toronto *News* on April 4th represented one view when it said: "The work of the Commission has been singularly complete. Nothing is based on guess-work. Expert engineers and accountants were engaged and were warned to be conservative in their estimates. Every possible contingency seems to have been foreseen and provided against, even to the drafting of necessary legislation, and the result is a comprehensive, non-hysterical and convincing plea for the immediate establishment of a municipal plant." Critics declared that the Commission was unfair to existing Power Companies with their heavy investments; that it was not right for a member of the Provincial Government to endorse and sign such statements and views unless his Government approved them; that the tendency under such a scheme would be for industries to settle at the point of cheapest power and to discriminate, therefore, against more distant localities; that the variations in price, as between communities, would be considerable and, as depending upon duration of service, very uncertain; that in the figures given unforeseen expenses and charges were not adequately provided for; that municipal management would repeat itself in being extravagant and inefficient; that competition would be found troublesome, the purchase of supplies expensive, and the return from labour not equal to that of corporations.

In London the cost of a local plant was said in some quarters to be prohibitive, as the borrowing power of the City was very limited; in Guelph and Ingersoll the proposals for cheap power were well received; in Berlin a large public meeting on April 6th approved "the advisability and wisdom of the Government developing or obtaining this power at the Falls and transmitting it to the municipalities concerned." In Galt, and the other towns mentioned, also, public opinion seemed to be in favour of some Government action. The Woodstock Board of Trade on April 6th and the Stratford City Council, on the same date, passed Resolutions along this line, while the Toronto *Globe,* on April 12th, flatly urged Government assumption of existing private properties and power facilities: "The simplest and most business-like solution of the situation would be the expropriation of the existing transmission line and of the distributing plant, enabling the City to buy its power at the general price at the Falls, to be transmitted to Toronto. The Electric Light and Street Railway Companies

could then take advantage of rates similar to those granted to other consumers." Meanwhile, on April 6th, a public meeting at Niagara Falls protested strongly against any such Government action on the ground that it was not a business the Province should undertake; that it involved the credit of the whole Province for a project benefiting only a small portion; that municipalities should take up such a plan at their own cost and subject to Provincial taxation.

Report of the Hydro-Electric Power Commission

On Jan. 26th, 1906, the Ontario Government appointed an official Commission composed of the Hon. Adam Beck, M.L.A. (Chairman), Mr. George Pattinson, M.L.A., of Preston and Mr. John Milne of Hamilton to take the place of one created on the preceding 5th of July and from which Mr. P. W. Ellis, one of its members, had been compelled to retire. This Hydro-Electric Power Commission was originally instructed to inquire into the various matters relating to Ontario water-powers and including location, capacity, demand for electric power, cost of development, rates or prices to the consumer, and the cash capital cost of existing undertakings.* The Commission issued three Reports during 1906 of which the first was dated April 4. Mr. Cecil B. Smith was the Chief Engineer, with Mr. S. B. Clement as Assistant, and three electrical engineers, one hydraulic, and one field engineer, to give further assistance. Mr. Gordon Sproule was Secretary.

The first Report dealt with South-western Ontario including Toronto and called, for convenience, the Niagara District. It stated certain conclusions: (1) that a present market for 50,000 horse-power was at once available within a reasonable radius of Niagara Falls and one for 100,000 horse-power within a few years; that this latter amount could be still further increased in the future but that experience showed that "when the distribution is controlled by private corporations the distribution area remains restricted"; that private corporations did not, in general, compete for business and thus lower prices to consumers but tended toward amalgamation and the forcing of individual consumers to instal generating plants of their own—a condition illustrated in Montreal, Hamilton and Buffalo; that in view of the refusal of the Electrical Development Co. and the Ontario Power Company to give particulars of electrical horse-power generated, used, or sold, the Government should insist upon the information being made publicly available. In this latter connection Mr. Fred. Nicholls had a difference with the Commission and Hon. Adam Beck. In a letter to Mr. Beck dated Feb. 21st he expressed readiness to afford all proper information to the Commission and then proceeded as follows: "I trust you will see how utterly unreasonable it is to ask that documents and contracts in which

* NOTE—See *Canadian Annual Review* for 1905, page 289.

others dealing with the Company are interested, and which in commercial circles are ever considered as between the parties to them, should be made public and the names of our customers and the details of our contracts should be presented to all rivals in the business in order that they may have an opportunity of profiting thereby."

Elaborate tables were given, many of a technical nature, showing the cost of power from Niagara, in production, transmission and application. The net effective capacities of the four Companies then under development were stated as follows: Hamilton Cataract Power, Light & Traction Company (Welland Canal) 22,500 horse-power, 10-hours; Canadian Niagara Power Company 40,000 horse-power, 24-hours; Ontario Power Company 50,000 horse-power, 24-hours; Electrical Development Company 37,500 horse-power, 24-hours. Should a new electric power plant for supplying municipalities be decided upon it was said that a site about 18 miles west of the Falls would be the best location, with a total capital cost estimated at $5,786,560 for 50,000 horse-power; $7,019,584 for 75,000 horse-power; $8,631,168 for 100,000 horse-power. This would be at a 24-hour power capacity and at a cost per horse-power of $116, $94 and $86 respectively and according to above total amounts. The yearly operating charges of such a plant were stated at $544,300 for 50,000 horse-power; $661,700 for 75,000 horse-power; and $811,100 for 100,000 horse-power.

A strong argument was made for municipal ownership and control. At Buffalo, supplied by a single Company, street arc-lighting, all night and every night, was stated to be $75; in Montreal, after the amalgamation of several concerns, it rose as high as $60; in Ottawa, after competition had been established the rate sank from $52 to $36. In Chicago before municipal operation the rates were $96 and afterwards $56; in New York and Elmira, with private companies in control, they were, respectively, $149 and $80; in Detroit the rate, after municipal operation, was $40. In Toronto, where the capital investment was estimated at $2,463,441 and the annual charges at $957,474, it was asserted that under municipal operation the annual saving in City pumping would be $53,000; to the Toronto Street Railway $217,200 over its present contract prices; to the Toronto Electric Light Company $14,800; to other Power users $100,000; in municipal lighting, if that policy was adopted, $169,000—a total, with other items, of $684,000 a year.

The second Report, dated April 17th, dealt with the Trent District—lying north of Lake Ontario but excluding Toronto. There were stated to be in the Upper Trent Valley water-powers already supplying Peterborough, Lakefield, Lindsay, and Fenelon Falls with hydraulic and electric power. In the Lower Trent Valley were other valuable waters estimated at 43,500 horse-power and still largely undeveloped; and in the Moira Valley a

number of smaller powers. Within a reasonable radius of Healey's Falls, Middle Falls and Ranney's Falls on the Trent, the Commissioners estimated an immediate market for 10,000 horse-power and a future one of 15,000 within five years. On the lower Trent River 25,000 horse-power was described as available at an estimated capital cost of $2,295,000. From Healey's Falls it was estimated that Oshawa could be supplied with electric power at a capital cost of $48,900 for distribution and annual charges of $8,910. The figures for Kingston were, respectively, $93,200 and $12,976. The third Report was dated Sept. 10th and dealt with the Lake Huron and Georgian Bay District. It was stated that in this region a total demand for 16,000 horse-power was in existence and could in the main, be supplied locally; that development was proceeding on the Maitland River and at Eugenia Falls and that north of the Severn River there were many good natural water-powers; that Sturgeon Falls, Sudbury, Bracebridge, and Orillia had small electric power installations; that the water-powers of the Severn, Muskoka and other Rivers not yet leased by the Crown, should be retained for the use of future municipalities.

Following the publication of these Reports came varied expressions of opinion. The *Star-Journal* (April 14) of St. Catharines, where power was provided by the Cataract Company, pointed out that if an uniform rate was established by the Government for distributing power it would hurt the cities near the distributing place; if that were not done the discrimination against distant places would be very great. "Power is now being sold in St. Catharines at $12 per horse-power and at Niagara Falls as low as $10. It would require millions of dollars to convey the same power to the towns now urging the Government to assist them on the lines suggested." The Hamilton *Times* endorsed this opposition and described the plan of Government acquisition and control as a huge socialistic scheme, the crushing out of private enterprise, the supplying of cheap power to a noisy few, the taxing of the people to overcome the hard facts of geography. The Ottawa *Free Press,* about the same time, indicated another point of view: "One portion should not benefit by Government transmission of electrical energy while other parts derive no benefit whatever. If the water-power at Niagara is to be utilized by the Government for the benefit of Western Ontario, why should not the Chaudière Falls and Chats Rapids be put to similar uses for the people of Ottawa and of the towns of the Ottawa Valley; or the rapids of the St. Lawrence for the people of Brockville, Cornwall and other important industrial centres along the St. Lawrence River." It was claimed that some of these opinions might be a little affected by politics and Mr. Beck's prominence in the Commission. The *Canadian Engineer* for July, however, alleged that some of the estimates were inadequate, or mistaken, and the following table was given:

	Commission's Estimates.	Estimates Corrected.
1. Initial cost at the Falls	$13 08	$19 00
2. Step-up transformation	....	3 00
3. Line transmission	1 86	7 00
4. Step-down transformation	1 36	5 50
5. Interswitching	0 07	(In 2nd, 3rd and 4th.)
6. Administration	0 16	(In 2nd, 3rd and 4th.)
Cost of power at 12,000 volts delivered from Toronto step-down station	$16 53	$34 50

These criticisms were strongly combated by the Toronto *News* of July 9th and by an anonymous expert who wrote elaborately to its columns on the 16th, as well as by many other newspapers on both sides of politics. A good deal of public opinion was in favour of some action by the Government along such lines as might be deemed practicable and the idea of cheap "white coal" was much favoured. At the same time a strong current of doubt was visible in financial circles and amongst those not enamoured of public ownership plans in general.

The Power Question and the Dominion Government

Meantime various Governments became concerned in this Power development and in the questions to which it gave rise. That of the United States became very solicitous regarding the scenic beauty of the Falls; as indeed were many individuals and public organizations on either side of the border. The British Government was brought into it through the American desire for a Treaty fixing the amount of water-power to be legally consumed or exported. This, of course, involved the Canadian Government and in Parliament on March 26th the subject was discussed at some length. It was pointed out by Mr. F. D. Monk, upon scientific authority, that the establishment of high voltage electricity together with water-power brought to Canada enormous advantages in cheap industrial production. An appeal was made by him and by Mr. Bourassa for better Government control over grants of water-power and rates charged. Sir W. Laurier in reply admitted that, in those under its control, the Government should "regulate the price to the consumer." The Hon. J. G. Haggart at once raised the following point:

> What jurisdiction have we over the matter? What right have we to legislate over water-power in Ontario or Quebec? I do not know if we have jurisdiction over the water-powers of the St. Lawrence. If I remember rightly the Ontario Government claims those which are situated within that Province. We have no jurisdiction even over the Ottawa River which divides Ontario and Quebec; the jurisdiction is in the two adjoining Provinces. Then what jurisdiction have we? We have jurisdiction over certain water-powers which we have developed ourselves in building canals in various parts of the country. But a very small moiety of the water of this country is under our jurisdiction; we have very little now upon the Welland Canal. This entire question as to the preservation of our water-power; as to its municipalization, if you would

call it that, the control over the water-power ; depends entirely upon the Provincial Governments and we have no power to pass regulations and laws in reference to it.

The Hon. C. S. Hyman, in reply, took the ground that the Dominion Government had authority to grant and control rights at Niagara for Dominion Government works; that the Ontario Government's power to grant charters already given might "fairly well be questioned"; that the Federal Government had "full and complete jurisdiction as to the export of power." As to the present policy in this latter respect it was "in the first place, that any permission given may be revoked by the Government upon short notice; in the second place there shall be no claim of any possible kind against the Dominion Government, or any Government, because of the revocation of any permission which may be temporarily given to export power; and, in the third place, that any company asking for authority to export power shall conform to all rules and regulations which now or hereafter may be put in force in reference to the exportation of power." The Government would also co-operate with the International Waterways Commission and the Ontario Government in guarding the scenic beauties of the Falls without, at present, raising the question of jurisdiction. This latter matter came up again in connection with the Government's measure for controlling the exportation of electric power and gas which was afterwards withdrawn. Mr. W. F. Cockshutt argued at length in the House, on May 29, along lines which are summed up in the following quotation:

Now the Province of Ontario, in itself, owns the land right up to the banks of the Niagara, and that being the fundamental law upon which the use of all waters is based, I submit that this Government is safe in accepting the principle that the Province of Ontario has an inalienable right to the waters of the Niagara River so far as they need them for their own industries. I trust that no treaty will be entered into, no negotiations will be entered into, with the United States or any other country that will withdraw from us those rights we have exercised for years past in the Province of Ontario, and that we believe are inalienable, namely, the right to use as much of that water as we require for domestic, industrial and traction purposes in that part of the Province that is tributary to the waters of Niagara.

In his reply the Hon. Mr. Hyman was conciliatory and defined the Government's present policy as one of leaving the matter open for discussion at the coming Inter-Provincial Conference. "Recognizing the importance to Ontario; adopting the view which the Hon. gentleman has himself laid before the House; the Government has thought better, before entering into a contest in regard to the question of jurisdiction at all, to see if it is not possible to see some settlement in this question which would be beneficial to Ontario, to the other Provinces, and to the Dominion itself." It was also decided for the moment not to give the Ontario Power Company certain additional rights which it asked

for under the terms of its Federal charter—the only one on the Canadian side.* On Nov. 28th Mr. W. F. Maclean declared in the House that it had become the duty of the Government to formulate a national policy of prohibition in respect to the export of electrical power. It should be used at home for home development.

The Niagara Power Question and Ontario Legislation

The chief discussion of Power questions centred, however, around the Ontario Government during the year. The Report of the Hydro-Electric Commission was the result of an inquiry under practically Government auspices; the membership of Hon. Mr. Beck in this and the Ontario Power Commission was a further proof of Executive interest in the subject; the semi-personal campaign of Mr. Beck, while Member of the Government without Portfolio, made in favour of "cheap power" induced many people to think, rightly or wrongly, that he represented the Government in all his views and in the policy read out of, or into, his views. Speaking in Toronto, on Feb. 7th, Mr. Beck refused to commit the Government to any specific Power policy but declared that electric energy at $17 per horse-power, or about one-half the cost of steam power could, should, and would, ultimately be available in Toronto.

He was at London on the following night and at a banquet in Galt on March 2nd where he made the following statement as to cheap power in Toronto: "That city could be lit at $45 per light per year, and yet they had contracted with a Company at $64.50, a difference of about $20 per light; in Hamilton the De Cew Falls Co. received $80 per year per light; in London $75 was paid for steam-power development. They should only be paying $35 to $40. In Montreal a combination representing seven millions of capital and $24,000,000 of stock paying 6 per cent., forced a rate of $50 to $100 per horse-power because the water-power controlled by this Company had created a monopoly." Winnipeg, he added, would soon have its electricity delivered 60 miles at $15 per horse-power. Mr. Beck spoke at Guelph on March 16th, at Berlin on the 19th, at Toronto on the 29th. He told the Board of Trade in the Provincial capital that electrical energy could be developed at Niagara Falls for $8 per horse-power, which figure would cover money invested and operating expenses; that it should only cost $5 for transmission to Toronto; that under such conditions the saving to consumers of Toronto as against steam would be from $500,000 to $750,000 a year; and that municipally-controlled power would mean a saving of $10,000,000 a year to the Province as against steam. He was at Woodstock on April 2nd, and at Stratford on April 7th. Here a Resolution was passed in favour of Government acquisition and

* NOTE—On May 17th, Mr. Whitney, Premier of Ontario, wrote to the Dominion Minister of Justice stating that the proposed legislation would leave this Company without any restriction upon its export and would interfere seriously with the operation of the Legislative Power measure just passed at Toronto. He suggested discussing the whole matter at the Provincial Conference.

control of Niagara Power facilities. Another meeting in Toronto was also addressed by him on April 10th.

Meanwhile, on Feb. 19th the Ottawa Board of Trade passed a Resolution approving of free Canadian development at the Falls and of a five years' contract for delivery in the United States by Canadian power manufacturers. On March 22nd the Toronto Board of Trade Council asked the Ontario Government to deal with the subject of distributing cheap power to the people, at the earliest possible moment. At Galt, on March 23rd, a meeting of municipalities more immediately concerned in the question, was held with representatives present from London, St. Thomas, Tillsonburg, St. Mary's, Berlin, Waterloo, Ayr, Galt, Georgetown, Paris, Preston and some other places. An organization was effected, with Mr. J. H. Fryer of Galt as Chairman. The 60 delegates present passed the following Resolution:

That whereas power from the Niagara Falls is natural wealth, and as such should be enjoyed by the largest possible number ; and whereas cheap power is essential to the success of factories and industries of almost any kind, particularly in Ontario where coal is expensive; and whereas experience has shown that this great national and natural asset would be practically worthless if controlled by private Companies; and whereas there is in our opinion no regulation sufficiently effective whereby power can be obtained from the owners of existing franchises at reasonable rates: Therefore, be it resolved, that this gathering of municipalities urgently desire and respectfully ask the Government of Ontario to at once themselves establish a power plant at Niagara Falls, or secure the power produced under existing franchises for distribution to reachable municipalities of Ontario.

On April 11th the greatest deputation in numbers and influence which had, perhaps, ever waited upon an Ontario Government was received by Mr. Whitney and his colleagues. Delegations were present from Windsor, Sarnia, Guelph, Berlin, Woodstock, St. Thomas, London, Kingston, Galt, Stratford, and some 30 other towns and municipalities all bearing the watchword of "cheap power." The Toronto Board of Trade, the Canadian Manufacturers Association, Retail Merchants Association, etc., were represented. At a preliminary meeting in the City Hall a Resolution moved by the Mayors of London and Stratford was unanimously passed as follows:

That the municipalities now present and represented in the City Hall, Toronto, having an urban and rural population of over 1,000,000 respectfully urge upon the Governor-in-Council of the Province of Ontario the necessity of safe-guarding the people's interests by originating as a Government measure legislation enabling the Governor-in-Council to appoint a permanent Provincial Commission with power to take, where considered by it advisable, the following action: The construction, purchase or expropriation of works for the generation, transmission, and distribution of electric power or light; to arrange with any existing development company or companies for the acquisition or purchase, by or from such company, or companies, of power at a reasonable price, so as to be transmitted and sold by the Government to municipalities or

others; also to vest in it the powers necessary to enable it to regulate the price at which electricity shall be sold to all and every consumer whether municipal, corporate or private.

This motion was presented to the Government by a notable municipal deputation, with short speeches from Mayors Coatsworth of Toronto, Judd of London, Sleeman of Guelph, Barr of Sarnia, Coulter of Ingersoll, Thompson of Galt, Fowke of Oshawa, Belcher of Southampton, Butler of Woodstock, Ferguson of Stratford, Lawrence of St. Thomas and others. The Premier, in his reply, was sympathetic in principle, general in terms as to future legislation, and not definite in promise regarding details in relation to a scheme which might, as he said, involve the investment of from $15,000,000 to $25,000,000 by the expropriation of existing rights; although it might, he also added, do away in time with the expenditure of an almost equal sum, yearly, upon United States coal for Ontario consumption.

On April 18th, Mr. Premier Whitney received a strong local delegation from Niagara Falls protesting against any policy of Government transmission and sale of electric power. His reply was concise and to the point: " There are various ways of attempting to bring Niagara power to the consumers at low rates. I am not one of those who will interfere with vested rights, but I am one of those who will look at this wonderful heritage and feel that monopoly should not be allowed to injure the interests of the people. The Government will consider whether it should take over the power or whether it should expropriate that already developed. It is pledged to get cheap power for the people of this Province but it is not pledged as to the means of doing it." A little later the influence of public opinion along these general lines was indicated by an editorial in *The Globe* of May 2nd referring to Mr. Beck and his policy: " The Province at large is behind him in the demand for cheap power as an immediate requisite and a heritage for all time. Ontario is, so far as present discoveries are concerned, without coal. But nature has made amends for that defect by furnishing an abundant supply of water-power for light, heat and power purposes."

The legislation following upon this agitation and public discussion was embodied in a Government measure presented to the Legislature by Hon. Mr. Beck on May 7th. Briefly analyzed this Act, providing for the transmission of electric power to municipalities, contained certain definite provisions. It (1) created a permanent Hydro-Electric Power Commission consisting of three persons—one to be a Member of the Government—responsible to the Government and through it to the people. (2) It gave this Commission power, upon application, to furnish municipalities with plans, specifications and estimates relating to the supply of electric power together with terms and conditions of contract to be made between any such municipal corporation and the Commission—the contract after approval by municipal by-law to be

subject to approval by the Provincial Government. (3) It vested large powers of expropriation, etc., in the Government upon recommendation by the Commission. If approved by the Government the Commission could be authorized "to demand, order and direct the delivery to that body of the whole or any part of the product of the works of any company or individual, developing or which proposed to develop, a water-power or water privilege for the purpose of generating electrical power or energy in the Province of Ontario, or to enter into agreements with any such company or individual for the supply of such product or any part thereof to the Commission for the purposes of this Act." (4) It allowed the Commission to exact the following proportion of charges in addition to the price per horse-power payable by any municipal corporation under the terms of a contract entered into with the Commission (which price was to include an allowance for generating, transforming and transmission losses):

A. Interest at the rate of 4 per cent. upon the moneys expended by the Commission on capital account in the construction or purchase of the works, plant, machinery and appliances constructed or acquired by the Commission for the purpose of developing, transmitting and delivering electrical power or energy to such municipal corporation and other municipalities, if any;

B. An annual sum sufficient to form in thirty years a sinking fund for the retirement of the securities issued by the Province of Ontario under this Act for the payment of the cost of the works hereinbefore mentioned;

C. The cost of operating, maintaining, repairing, renewing and insuring the said works, plant, machinery and appliances.

Mr. Beck, in speaking, said that the Government was associating itself with the municipalities in the distribution of power; that the Commission would have a good deal of preliminary work to do and could make arrangements, if so desired, for the purchase of power from existing Companies at Niagara Falls; that the Commission would transmit the power from Niagara where it could, he declared, be obtained for $11.00 or $12.00 per horse-power but that the municipalities must protect the Government against loss; that railways and distributing companies could be supplied by the Commission and profits go to the benefit of the municipalities; that the whole expense of transmission work would be borne by the municipalities and each would pay for the power at the Falls what the Commission paid; that all rates charged for light, heat and power would be subject to the Commission's control. The Hon. Mr. Whitney, in speaking briefly, stated that the Government was anxious to secure reasonable power rates to the consumer; that powers of expropriation would be only used if the producers positively refused to furnish power at such rates; that he did not believe any drastic action would be necessary.

The Hon. G. W. Ross outlined the Opposition views on May 9th. He believed in cheap power and thought the late Government had gone as far as possible in that direction; deprecated the

political appointment of Members of the new Commission and eulogized the method of choosing the Ontario Power Commission which had recently reported; objected to the heavy financial obligations in which the policy might involve the Government and declared that municipalities should float their own debentures and pay their own expenses in such a connection; opposed the clause over-riding the Conmee Act which had enacted that municipalities must dispose of, or protect, existing vested rights before undertaking to compete in the working of public utilities; criticized the threat and power of expropriation as a blow to the investor, a check to financial enterprise, an injury to the credit of the entire community; claimed that the policy would only benefit a corner of the Province at the expense of the whole. Mr. T. H. Preston (Liberal) protested against the appointment of any more Commissions and criticized the Bill as placing all risks upon the Municipalities. His suggestion was that the Government ought to purchase—as they should have done when they had the chance—a block of power at Niagara Falls, build the main transmission lines and let the municipalities work out the rest; or else deal with the municipalities as it was now dealing with them in regard to good roads, namely, contribute one-third of the expenditure the former would be called upon to make in order to obtain cheap power. The Hon. R. Harcourt described the Government's measure as "unworkable, unpractical, unwise and unfair"; opposed public ownership and appealed for justice to capital as well as to the people.

Meanwhile there was considerable discussion as to the matter of expropriation and public credit. Financial men made speeches at an Electrical Development Company gathering at Niagara Falls on May 9th which caused alarm. Mr. Premier Whitney reiterated upon several occasions his declaration that nothing would be done to injure capital under normal conditions and that British and other investors in the Power Companies were perfectly safe—notably in a *Mail* interview on May 15th. On June 7th, after the Power Bill had become law, the Hydro-Electric Power Commission of Ontario was appointed, under its terms, to "provide for the transmission of electric power to municipalities." The Hon. Adam Beck, M.L.A. (Chairman), the Hon. J. S. Hendrie, M.L.A., also a Minister without Portfolio, and Mr. Cecil B. Smith, C.E., were appointed Members. A little later Mr. P. E. Sothmann, of Denmark, was appointed Chief Engineer to the Commission. One of the first questions to come before this body was the lease granted by the Whitney Government, on July 13th, to the Northumberland-Durham Power Co. of certain power rights at Healey Falls, on the Trent River, for a term of 20 years with possible further extensions. Defined terms of development and control of rates were included. Late in August a deputation waited upon the Commission and claimed that this might affect the Municipality of Brighton in obtaining water-

power. The Chairman advised them to apply formally to the Commission for power and to try and induce neighbouring municipalities to join in the matter. The claim was made that this grant over-rode the Commission and the matter was at once taken up and criticized by the Opposition press. The Hon. Mr. Cochrane, Minister of Lands and Mines, made public the following explanation on Sept. 5th:

> It is difficult to conceive of a lease being drawn up with conditions more stringent or in such a way as to leave the Government more absolutely master of the situation. The water-power and land are not granted; they are leased. The privilege must be developed up to at least 3,000 horse-power within two years and up to the full capacity of the stream at any time the Government is satisfied the additional power is in demand. The rates to be charged power consumers are to be fixed by the Government; so are the conditions on which the power is to be supplied. The lease may be forfeited if the rent is not paid or any of the conditions not fulfilled. The instrument is in strict conformity with the regulations made under the Water Power Act of 1898, save that instead of the first term being fixed at ten years it is made twenty. Under the old Government water-powers were leased for ninety-nine years and even sold outright, and this after the water-power regulations were passed.

In the Toronto *Telegram* of Sept. 12th, the Hon. A. J. Matheson, Provincial Treasurer, pointed out that the Government had never intended to develop all the water-powers of the Province and that it would cost $50,000,000 to do so. In isolated cases like Healey Falls public interests were being carefully guarded. On Dec. 14th it was announced that the Government had cancelled the lease of the Chaudière Falls water-power on the French River because of non-fulfilment of conditions. Meanwhile the Hon. Mr. Beck had continued his campaign of public education, with this difference, that he now had a recognized Government policy to go upon, with the elaborate data collected by two Commissions and the power resting within his own new Commission of taking action along defined lines. On July 24th an important meeting was held at Galt of representatives from 23 cities and towns of Western Canada—including Toronto, Hamilton, Guelph, Woodstock and St. Thomas. The following Resolution was passed after addresses from Messrs. Beck and C. B. Smith:

> That the municipalities here represented desire to co-operate in order to avail themselves of the benefits of the Act passed at the last Session of the Legislature of the Province of Ontario, being an Act to provide for the purchase and transmission of electrical power to municipalities, and for that purpose; Be it resolved, that each municipality here represented, and such others as may join, do furnish to the Executive Committee as soon as possible an estimate of the amount of power it will require under the Act, or will use for public lighting, heating and power purposes, and also for manufacturing and other purposes, and that the Executive Committee be authorized to take all necessary steps to procure from the Hydro-Electric Power Commission of Ontario estimates of the various items of cost and other particulars under Section 6 of the Act, and to

lay before the Municipal Councils full information as to the same, so as to enable the Councils to submit to their electors by-laws to authorize them to enter into contracts with the Commission for the transmission of electrical power in terms of the Act.

At the Ontario Municipal Convention held in Toronto, on Aug. 29th, Mr. Beck delivered an address and answered many questions. He said that some municipalities were worrying lest they be not included and the big towns eat up all the power; that the City of Ogdensburgh, N.Y., had offered the Commission 20,000 horse-power; and that the municipalities must give definite estimates of the power required by each. On Oct. 3rd Mr. J. H. Fryer, President of the Municipal Power Union of Western Ontario, stated that 75,000 horse-power had been applied for to the Commission. On Oct. 20th a conference took place between Mr. Whitney and members of his Government and General Francis V. Greene and other representatives of the Ontario Power Company. It was stated by *The Globe* (Oct. 22) that this was the Company which Mr. Beck had referred to as offering the Government power at less than $12. Speaking to the Canadian Club in Hamilton, on Nov. 8th, Mr. C. B. Smith estimated the pending development of Niagara Falls as 200,000 horse-power. The Commission reported on Nov. 22nd that 46 municipalities had then presented claims for 124,075 horse-power and that of this total 113,575 horse-power was within the Niagara District and 10,500 horse-power outside of that radius. The names and amounts required were as follows:

NIAGARA DISTRICT

Name.	Horse-Power.	Name.	Horse-Power.	Name.	Horse-Power.
Toronto	30,000	Galt	2,500	Woodstock	1,200
Berlin	3,000	Preston	800	Waterloo	900
Guelph	3,000	St. Mary's	2,000	Paris	1,000
Stratford	5,000	Brantford	3,000	Orangeville	1,000
Hespeler	750	Leamington	250	Brampton	1,200
Parkhill	500	Lucan	300	Cottam	500
St. Thomas	1,500	Ingersoll	1,500	Milton	500
Tillsonburg	1,000	Norwich	200	Windsor	5,000
Acton	800	Simcoe	500	Elmira	600
South Dumfries	3,000	Richmond Hill	100	Strathroy	225
Dundas	3,000	Harriston	400	Durham	1,500
Walkerton	1,500	Hamilton	15,000		
Toronto Junction.	10,000	London	10,000		

OUTSIDE PLACES

Name.	Horse-Power.	Name.	Horse-Power.	Name.	Horse-Power.
Belleville	3,200	Chatsworth	50	Thedford	50
Bayfield	150	Ottawa	3,000	Brockville	1,000
Steelton	50	Port Arthur	2,000	Stanley	50

A conference of 40 delegates met Hon. Adam Beck and Mr. Commissioner Smith at Berlin on Dec. 5th. They represented Galt, Guelph, Waterloo, Acton, Mount Forest and Berlin. After speeches by Mr. Beck and Mr. J. W. Lyon of Guelph a Resolu-

tion was passed unanimously endorsing the work of the Commission and promising co-operation. The two Commissioners spoke at Brantford on the following day and Mr. Smith stated that within 18 months after the contract was signed power would be supplied. At a meeting of the Canadian Society of Engineers on the same date various criticisms were made and Mr. R. J. Black declared that in order "to lay out a distributing system to meet the various demands, such as street and incandescent lights, small and large factories and the several other contributions under which the power would be laid, more than one system would have to be adopted; and to follow the trend of modern times it would be proper that no more poles and overhead wires be added to those already in existence, but to have all new or added distributions placed underground by trunk or other systems which might be adopted. There was no doubt the cost of hydro-electric power would be greater than is popularly supposed." Mr. Beck was in Hamilton on Dec. 11th. He claimed that under the Commission's policy, instead of paying more than Toronto did at present for its power Hamilton "would get arc-lights for $40 instead of $84; would get its power for $22.50 to $25 instead of from $30 to $90; would save $20,000 on its street lighting contract; $5,000 on electrical pumps, and get residences lighted for half the present cost." He spoke, again, in Toronto at a Power mass-meeting on Dec. 20th.

On Dec. 26th a public meeting at Galt heard Mr. Beck and endorsed the policy and work of the Commission. Two days later, in *The News,* Mr. C. B. Smith estimated the available electric power in the settled parts of Ontario at 3,500,000 horse-power and in the unsettled parts at as much more. "We have always had to depend on the United States for fuel and if we can develop a source of power in the Province and avoid purchasing so much fuel from a neighbouring country, we will have done much to help our staple industries for all time to come." About this time the Commission issued detailed figures as to the cost of supplying 21 municipalities with electrical energy. They were all within the "inner circle" of supply and the price was for 24-hour power, ready for distribution to consumers. It varied in accordance with the amount taken, with a probable decrease when more customers came in and the system of transmission wires was extended; and it also varied with the terms upon which the Commission might get its supply. London's minimum figure for 10,000 horse-power was $17.40 and its maximum $20.26 per horse-power; Hamilton for 15,000 horse-power was quoted $13.97 and $16.25 respectively; Toronto for 30,000 horse-power was accorded a rate of $14.15 and $16.61 respectively. Meanwhile a lively contest was taking place in various towns regarding the passage of by-laws permitting contracts with the Hydro-Electric Power Commission.. The Toronto fight was quite an interesting one. The question submitted to its rate-payers was embodied in the following clause of the Electric Power By-Law:

That it shall be lawful for the Municipal Corporation to enter into a contract with the Hydro-Electric Power Commission of Ontario for the supply to the said Corporation for 30 years of 15,000 continuous horse-power or more, of electrical power and energy for the use of the Municipal Corporation and the inhabitants thereof, for lighting, heating and power purposes, at from $14.00 to $18.10 per horse-power per annum for continuous power ready to be distributed by the said Municipal Corporation; such prices to include all charges for interest and sinking fund, for cost to construct, and the cost to operate, maintain, repair, renew and insure the plant, machinery, and appliances to be used by the said Commission.

The arguments in favour of the measure were that Toronto would save at least $500,000 a year; that while the By-law did not commit the City to a contract it yet allowed the City Council to negotiate for a supply of electric power subject to the actual contract being voted later on; that the City assumed no burden for others but stood alone in the matter and paid her own way; that the people would benefit as well as the manufacturers and that great industrial development would follow; that the service would be uninterrupted with two sources of supply and five lines available; that Toronto's industries must have cheap power, cheap heat and cheap light if they were to meet Western development and the growing competition of Winnipeg—which was spending $3,000,000 in securing cheap power—as an industrial centre; that commercial lighting would be 6 cents per K.W.-hour as against the present 12 cents per K.W.-hour and residential lighting 5 cents as against 8 cents;* that individuals could instal a generator and develop their own light; that the price of $17.50 quoted by the Commission was absolutely the maximum and could not be exceeded; that under the Commission's figures street lamps would be supplied at $47.25 as against an alleged present figure of $67.35; that the estimated cost to the City for distribution over and above the Commission's prices was only $1,850,000.

The arguments against the proposed policy claimed that injustice was being done the Electrical Development Company and that the $35 rate, specified in its contracts with the Toronto Companies, was for a measured rate which would bring the amount down to a flat rate of $25 in comparison with the Commission's rates; that the Toronto Railway Company and the Toronto Electric Light Company took about half of the City's requirements now and were not going to break their contracts with the present supply Company; that Toronto would not, therefore, have a market for the amount suggested and the municipality would suffer accordingly; that Civic distribution would cost $3,000,000 instead of the smaller sum named; that the streets would have to be torn up, poles erected, wires strung, transpower-houses and substations built, etc.; that the City would be in a pool of municipalities simply to help smaller places get cheaper power than it did; that the expense of distribution, according to three engineers

* NOTE—Mr. P. W. Sothmann, Chief Engineer of Commission, *Mail*, December 27th, 1906.

who endorsed the opinion, would be not $6.00 per horse-power but $20.00; that, in point of fact, the By-law itself did not legally comply with the Statute creating the Power Commission.

Upon this latter point Sir Henry Pellatt and Mr. F. Nicholls obtained a lengthy negative opinion from Mr. G. F. Shepley, K.C., and submitted it to the electorate. On Jan. 1st, following, the By-law or a similar one passed by over 8,000 majority in Toronto and 5,000 in Ottawa. Toronto Junction, Hamilton, Galt, London, Ingersoll, Guelph, New Hamburg, Woodstock, Stratford, St Mary's, Weston, St Thomas, Preston, Paris and Waterloo approved similar by-laws while Brantford alone rejected the policy.

International Conditions and Electric Power at Niagara Falls

As soon as the value of the Falls became obvious in an industrial and general sense there was bound to be a series of questions to decide between the Governments concerned—that of the United States; that of Great Britain as the sovereign and diplomatic centre of Canada's external affairs; that of the Dominion as controlling within Canada all questions of national policy and inter-Provincial relations; that of Ontario as the most concerned in a local, material and specific way. The questions raised involved the preservation of the scenic beauty of the Falls; and its collateral issue, the restriction of power production to a point at which the scenery would not be injured by any marked depletion in the volume of water; the fact that any wholesale withdrawal of water would first and most injuriously affect the American Fall; the interests of the Power Companies, on both sides, with their heavy investments, large contracts with subordinate electric concerns, and various corporate and industrial interests, as against the loudly-expressed popular desire, in the States especially, to conserve a beauty of scene which, it might be mentioned, New York factories had already done much to destroy; the claims by persons like the State Geologist of New York that one-half of the Canadian Falls was in United States territory and that one-fourth of the entire volume of water had been given away to chartered companies. The subject was brought before the New York Legislature by Governor Higgins on Jan. 3rd in the following terms:

> This State and the Dominion of Canada have in the past been engaged in an unworthy rivalry in granting franchises of incalculable value to the Power development companies, permitting them to take water from the Niagara River above the Falls for commercial purposes. The privileges granted to these companies now constitute a real menace to Niagara. The State of New York cannot carry on the work of preservation effectively without the aid of international agreement to protect the cataract and the river from spoliation. It can, however, in some degree, repair the mischief already done, first, by limiting the amount of water which may be taken from the river by the New York companies now engaged in developing power; second by repealing all undeveloped charters, of which several remain on our statute books, dormant, if not defunct; and, third, by instituting legal proceedings for the forfeiture of the charters of any companies which may be guilty of

Bird's-eye View of Niagara Falls, Showing Power Developments on the Canadian Side.

misuse of their franchises or abuse or usurpation of powers. I earnestly desire to impress upon the Legislature a due sense of the responsibility of this State for the protection and preservation of the grandeur and beauty of Niagara Falls.

This was followed by a proposal of United States Senator Platt for a Joint International Commission to inquire into the effect upon the Niagara Falls of the subtraction of water for industrial purposes; and by a similar suggestion in the annual Report of the Queen Victoria Niagara Falls Park Commission. It cannot be said that the proposal was popular in Canada. Fears were somewhat flippantly expressed in certain quarters as to the British Government being brought diplomatically into the matter; the London *Free Press* (Jan. 30) expressed itself as follows: "The great fact is that the potentiality of the American Fall for power production is well-nigh exhausted, while that of the Canadian Fall has been only tapped. Why should Ontario's hands be tied by any arrangement of the Federal Government with the United States"; the Toronto *Globe* declared that any negotiations taking place should be in the hands of the Canadian Government. The most threatening United States element in the current complications was not the powerful and repeated effort of the Niagara, Lockport and Ontario Power Company to obtain in New York practically unlimited powers in the supply of water to villages and towns in the State; but the projected Canal between Lake Erie and Pittsburg which, it was claimed, would withdraw 18 feet of water from Lake Erie and dry up the American Fall. For the moment, however, the Congressional Bill failed in this latter connection. In the January *Outlook* Mr. Charles M. Dow, President of the New York State Reservation, summarized the situation as follows:

(1) The authorized diversion of the waters of the Niagara River, when exercised to its full extent, will seriously, but not wholly impair the Falls.

(2) That further suggested diversion should be prevented, if possible.

(3) That the transfer of the State reservation at Niagara Falls from the State of New York to the Federal Government would be valueless as a remedy against the proposed evil.

(4) That this diversion can be absolutely prevented by the joint action of the Government of the United States and the proper British authorities.

(5) That it is desirable that the Legislature of the State of New York should revoke all charters for the diversion of water under which operations have not been commenced in good faith.

(6) That an amendment to the Constitution of the State should be adopted providing for the perpetual protection of the waters of the Niagara River.

(7) That the Congress of the United States should exercise at once all the powers it may possess to prevent such diversion.

On March 21st a Report was submitted to the United States Secretary of War by the American members of the International

Waterways Commission signed by General O. H. Ernst, the Chairman. It stated that the total quantity of water authorized to be taken from the Falls was 60,900 cubic feet per second of which 26,700 was to be taken from the United States side and 34,200 from the Canadian side; that when these arrangements were all in operation 27 per cent. of the average discharge and 33 per cent. of the low-water discharge of the Niagara River would cease to pass over the Falls; that this quantity was more than double the whole amount of water passing over the American Falls though, in all probability, the flow of water would come from the two arms in about the proportions of one-sixth from the American Fall and five-sixths from the Horseshoe Fall; that for this enormous diversion of water the State of New York will receive nothing for its 242,000 authorized horse-power while the Ontario Government will receive an annual rental of $270,000 for its 415,000 of authorized horse-power; that an agreement should be come to with Canada for the protection of this great international interest—visited annually by 800,000 people. The following United States legislation was suggested:

> The Secretary of War to be authorized to grant permits for the diversion of 28,500 cubic feet per second, and no more, from the waters naturally tributary to Niagara Falls, distributed as follows: Niagara Falls Hydraulic Power & Manufacturing Company 9,500; Niagara Falls Power Company 8,600; Erie Canal or its tenants (in addition to lock service) 400; Chicago Drainage Canal 10,000. All other diversions of water, which is naturally tributary to Niagara Falls, to be prohibited, except as much as may be required for domestic use or for the service of locks in navigation canals; suitable penalties for violation of the law to be prescribed. The foregoing prohibition to remain in force for two years and then to become the law of the land if in the meantime the Canadian Government shall have enacted legislation prohibiting the diversion of water which is naturally tributary to Niagara Falls in excess of 36,000 cubic feet per second, not including the amounts required for domestic use or for the service of locks in navigation canals.

Such was the view of the United States Section of the Commission. The Canadian Section reported very differently to its Government a little later. It was recommended that until the output of the works actually under construction was known no arrangement whatever be made with the United States Government. It was contended that if the Falls were impaired in beauty to-day the mischief was done on the American side. It was further recommended that as the demand for power from the Canadian companies will be limited for some time, it would be good policy not to permit any other companies holding Canadian charters, which have not yet commenced operations, to proceed with their works, but that their charters be cancelled and none others granted until the actual condition of affairs, as shown by the completed works of the present companies, is known. The Report further stated that in the opinion of the Commissioners it was not advisable to make any treaty with the United States in

reference to Niagara, alone, but that any international arrangement should embrace all the waters adjacent to both countries, from the Atlantic to the Pacific, and that the duration of such a treaty should not exceed 20 or 30 years.

In the House of Commons, on April 4, Sir Wilfrid Laurier in reply to questions stated that 14 petitions had been received from Canadian citizens or organizations in favour of preserving the beauty of the Falls and 467 from citizens or organizations in the United States. In its Report the Ontario (Municipal) Power Commission had referred to this question and quoted an opinion by Hon. J. W. Griggs, late United States Attorney-General, regarding jurisdiction in the premises, as follows: "Whatever jurisdiction the State of New York has over the waters of the River and their use is subject and subordinate to the power of the National Government in two respects; First with respect to navigation, as to which the laws of Congress are supreme; Second as to the subject of boundary between this nation and Canada, in respect to which the United States and Great Britain have the right, by treaty stipulation, to impose such conditions and regulations upon the use of the River and its waters as they deem mutually proper." On May 3rd the International Waterways Commission met at Buffalo and both Sections agreed upon the following Resolution:

> In the opinion of the Commission it would be a sacrilege to destroy the scenic effect of Niagara Falls. While the Commission are not fully agreed as to the effect of diversions of water from Niagara Falls, all are of the opinion that more than 36,000 cubic feet per second on the Canadian side of the Niagara River or on the Niagara Peninsula, and 18,500 cubic feet per second on the American side of the Niagara River, including diversions for power purposes on the Erie Canal, cannot be diverted without injury to Niagara Falls as a whole. The Commission therefore recommend that such diversions, exclusive of water required for domestic use or the service of locks in navigation canals, be limited on the Canadian side to 36,000 cubic feet per second and on the United States to 18,500 cubic feet per second (and in addition thereto a diversion for sanitary purposes not to exceed 10,000 cubic feet per second be authorized for the Chicago Drainage Canal) and that a treaty or legislation be had limiting these diversions to the quantities mentioned.

At the same time a special Report of the Canadian Section was presented to Parliament. It stated that the completion of the projected and authorized works, while decreasing the flow of water notably, would not actually impair the scenic beauty of the Falls; that while the limit of development had been reached on the United States side there was still room for more on that of Canada; that while the Canadian Niagara Power Company and the Ontario Power Company had made no serious effort to distribute power in Canada they had cables already reaching across the River and proposed to sell their power between Niagara Falls, New York, and Buffalo; that it would be unfair and ruinous to

forbid the export of power under present conditions; that there were in existence, though unused, three Canadian charters giving practically unlimited rights in the taking of power. The following extract from the Report of the Commissioners of the Queen Victoria Niagara Falls Park (1906) gave full data upon this last point:

1.—ON AMERICAN SIDE

Name of Charter.	Date of Authorization.	Cubic Feet per Second.
The Niagara River Hydraulic Power and Manufacturing Company	1879	Not Defined.
Lockport Water Supply Company	1886	Unlimited.
Lewiston Water Supply Company	1888	Unlimited.
Niagara Falls Power Company	1889	Approx. 17,200.
Buffalo and Niagara Power and Drainage Company	1889	Unlimited.
Chicago Sanitary District	1889	10,000.
Niagara County Irrigation and Water Supply	1891	Unlimited.
Niagara Power and Development Company.	1894	Unlimited.
Niagara, Lockport and Ontario Power Company	1894	Unlimited.

2.—ON CANADIAN SIDE

Chartered by the Dominion of Canada.

The Niagara-Welland Power Company	1894	Unlimited.
The Jordan Light, Heat and Power Company	1895	Unlimited.
Erie-Ontario Power Company	1903	Unlimited.

Under Agreement with Commissioners.

Canadian Niagara Power Company	1892	Approx. 8,600.
The Ontario Power Company	1900	Approx. 11,700.
Electrical Development Company	1903	Approx. 11,200.

Meanwhile, United States authorities and public bodies were considerably stirred up over the subject. At Albany, N.Y., Senator L'Hommedieu endeavoured to carry legislation forbidding existing companies from taking more than 17,200 cubic feet per second, each, from the American side; in the New York Assembly Mr. Foelker urged a somewhat similar measure and another prohibiting the import of electric power from Canada; at Washington the Rivers and Harbours Committee of Congress received delegations and considered varied recommendations and lines of advocacy. Finally, interest centred in what was called the Burton Bill presented to the House by the Chairman of the above-mentioned Committee and intended (1) to forbid United States Power Companies from diverting any more water from the Falls than present practice permitted and (2) forbidding the importation of power from Canada. Pressure of opposing kinds was brought to bear upon the Committee and, on April 28, it visited the Falls in a body and inspected the local works and heard the various standpoints presented.

The final Report of Congressman Burton insisted upon the necessity of a treaty with Great Britain but proposed, meanwhile, to meet existing dangers by legislation. The Bill, as finally approved, and passed on June 4, authorized, first, the issuance

of permits to individuals, companies or corporations already using water and authorizing its diversion to the extent to which it was then being used; second, the issuance of further permits both for diversion of water on the American side and for the transmission of electricity created by water-power from the Canadian side, with the limitation, however, that such permits should not impair the scenic grandeur of Niagara Falls, the navigability of Niagara, or its integrity as a boundary stream. Permits were to be issued by the Secretary of War, and the quantity of electrical power which might, by permits, be allowed to be transmitted from the Dominion of Canada into the United States was to be 160,000 horse-power.

In accordance with the powers thus vested in him Mr. W. H. Taft, United States Secretary of War, visited the Falls, July 12th, and heard the various requirements of the Companies. It was stated that the Canadian Companies applied for permits to export 293,500 horse-power into the United States as against the Burton Bill limitation of 160,000 horse-power and the actual current exportation of 25,000 horse-power. After consideration Mr. Taft issued permits for import from the Canadian side of 37,500 horse-power to the Electrical Development Company of Ontario; 60,000 horse-power to the Canadian Niagara Power Company and 60,000 horse-power to the Ontario Power Company. Eventually this distribution was changed and the three Canadian Companies in their respective order, as above, were allotted 46,500 horse-power; 52,500 horse-power; and 60,000 horse-power. Meanwhile, on Nov. 26th, large deputations representing both sides of the question of power importation had been heard by Mr. Taft.

IV. FINANCIAL AFFAIRS AND CONDITIONS

General Financial Progress of the Year

Activity in business, in industrial circles, in mining, and in other forms of national development, made the financial affairs of 1906 in Canada unusually prosperous and buoyant. Nor was this simply upon the surface or as a mere matter of money manipulation. All the basic conditions of prosperity were present in trade and production. Toward the close of 1905 (Dec. 30) Mr. D. M. Stewart, of the Sovereign Bank of Canada, referred to the then unprecedented prosperity of that year and estimated the amount of money on deposit in Government and Banking institutions at $605,688,000—exclusive of private bankers and loan and trust and mortgage corporations. These figures indicated the large sum of money for use and investment which was available at the beginning of 1906.

During the year that followed the Banks of Canada made heavy profits totalling about $15,000,000 and the bank clearings rose from $3,300,000,000 to $4,000,000,000. There was a great expansion in the incorporation of new Companies for the transaction of business in various forms. The mining developments in Ontario caused the formation of two or three hundred Companies with $250,000,000 of authorized capital. In Manitoba there were 172 Companies incorporated with an aggregate capital of $17,000,000; in Alberta 161 Companies with $18,552,000 capital; in Quebec, from July 1st, 1905, to June 30th, 1906, there were 78 Companies incorporated with a capital of $10,384,000—double that of 1905; in Nova Scotia for the fiscal year there were 91 new Companies. The transactions on the Toronto Stock Exchange during the calendar year included $3,079,100 in bonds, $140,008 in mining stocks, $554,282 in shares—a total of $3,773,390 as against $2,113,833 in 1905. Foreign issues led in activity but prices rose in Canadian Pacific, Toronto Electric Light and Toronto Railway. The Navigation Companies made a very good showing. On the Montreal Exchange stocks in 1906 sold to the value of $1,187,384 as compared with $1,019,402 in 1905; and bonds to the value of $6,267,534 or an increase of $1,022,167. The disturbing elements of the year, apart from San Francisco liquidation, were the issue of some Montreal Street Railway stock at a premium, the Steel and Coal Companies' dispute and the unsettled condition of the Light, Heat and Power Co. in relation to its City franchise renewal. In this general connection of stocks and their prices, Mr. Rodolphe Forget told

the Montreal *Star* of Sept. 26th that he thought something was wrong.

"The only stationary thing," he said, "is the stock market. There has been practically no appreciation in our securities. Sir Wilfrid Laurier tells us that Canada is the country of the twentieth century. Certainly the stock market is not reflecting it but, instead, seems to be working on eighteenth century conditions. Take a list of the stocks listed on the Montreal Exchange and every concern there is earning more money than ever before. Yet many of our stocks are lower now than they were a few years ago. There is altogether too much attention paid to the Wall Street market to the neglect of our own. Let us be better Canadians than we have been, and if we buy and sell securities, let us buy and sell our own." As to Western development in a financial direction Mr. D. R. Wilkie, President of the Imperial Bank of Canada, said in the Winnipeg *Free Press* on Sept. 25th that "large investments are being made in the West (including British Columbia) in lumber and coal lands; much American capital being invested in lumber and much British as well as foreign being invested in coal."

As to trade interchange and business, generally, Sir George A. Drummond, President of the Bank of Montreal, in his annual address on Dec. 7th described the hardware trade as having the largest volume of business in its history; the dry-goods trade as never better, with the more expensive goods in demand; in woollens, the prices and general condition to be better than in 1905; in cottons, the prices being advanced and an active demand reported; in boots and shoes, the demand good but selling rates not increasing in proportion to the prices of raw material; in leather, a large business at higher prices and in raw hides an advance of 25 per cent. in price. "However," he added, "the best evidence of the extraordinary activity of trade is to be found in the railway traffic, which is trying to the utmost the resources of the roads; new rolling-stock is being put into service as quickly as acquired and the demand is still unappeased." Mr. E. S. Clouston, Vice-President and General-Manager, followed in the same tone but gave a warning as to the future:

> With respect to the general business of the country I can only repeat my remarks of last year, that we are still in the full flood-tide of prosperity. Railway earnings continue large, immigration is satisfactory, and the farming community shares with the manufacturers and merchants the general well-being; but in its wake it is feared will follow over-expansion, inflated values and increasing speculations, particularly in real estate and mining stocks, leaving wreckage behind when the tide ebbs.

At the annual meeting of the Bank of Ottawa, at Ottawa on Dec. 12th, Mr. George Hay, the President, referred to current conditions as follows: "On all hands general commerce and

industry have been blessed with phenomenal returns. Let us hope that transportation facilities may keep pace with the requirements of expansive production. In this connection we would rejoice to anticipate the powerful throb of an increased commercial life by the construction of the Georgian Bay Canal, recently promised to be begun, in the near future." Mr. George Burn, the General-Manager, pointed out the increasing and keen competition between banks as a factor not to be ignored in this general connection. In his annual address, covering the affairs of 1905, Mr. B. E. Walker, General-Manager of the Canadian Bank of Commerce, had described the national and financial position of Canadians as being " prosperous and more confident than ever." In dealing with those of 1906 he was able to describe (Jan. 7, 1907) the year just closed as " even more remarkable for volume of business and general prosperity than the year preceding or, indeed, than any year in our history." There were signs of a strain, however, and it must always be remembered, he said, that Canada is a borrowing country. He urged caution in business and in speculation. Upon this latter point, as applied to the West in particular, Mr. W. T. White, General-Manager of the National Trust Company, was emphatic in describing a recent tour through that country—Toronto *News,* June 16th:

I think we are going to have an empire in the West capable of sustaining a very large population. These Western Provinces will have their set-backs, no doubt, but for decades their progress must be substantial. One feature in all the towns is the speculation in outlying town lots, really on margin, because only small payments are made down. This will bring its own punishment in time. It is only fair to say that most of the people in these towns are as well aware as an outsider can be of the situation, and think there is considerable over-speculation in the land. In some cases farm prices are up to full economic value, and farmers say that money cannot be made on higher purchase prices.

Meantime the business failures had shown no change in the appearance of prosperity which met the observer upon every hand. The failures in 1905, according to Bradstreet's Reports were 1,424 in number with assets of $6,556,331 and liabilities of $13,837,176; as compared with 1,923 in number, with assets of $6,209,177 and liabilities of $15,793,559 in 1895 when the population of the country was, at least, 1,000,000 less. In 1906 R. G. Dun & Company's Report showed the total failures of a commercial character to be 1,184 in number with $6,449,052 assets and $9,085,773 liabilities. They were divided into those of a manufacturing character, 293, with liabilities of $3,482,511; and those of a trading character numbering 863 with liabilities of $5,145,142. The miscellaneous liabilities were $458,120.

Business expansion was shown by the Loan Companies of Canada during 1906 as in other lines of financial operation. Official figures are not yet available but those for the period ending

Dec. 31st, 1905, will indicate the proportions attained by this element in finance. In Ontario the total liabilities to shareholders, including Trust Companies, and also the terminating as well as permanent shares of Loan Companies, was $64,491,210; the total liabilities to the public, including deposits of $20,853,477, was $81,713,045, with contingent liabilities on the part of Trust Companies totalling $43,613,922. The total assets of $189,818,178 included debts, secured by mortgage, of $106,852,824 and by stocks $25,810,061. There were also debts not owned beneficially of $38,695,558. The total receipts for 1905 were $110,428,034 with $72,065,643 received by the Trust Companies as guardian or in trust. The expenditures on corporation account included $18,504,338 loaned on mortgages, $32,775,696 loaned on other securities, $34,983,976 as deposits paid off, $10,578,276 as debentures paid off, and over $11,000,000 loaned by the Trust Companies and $58,000,000 repaid on account of trust funds. As illustrating the condition for all Canada—inclusive of Ontario—the following table shows the progress of the 84 companies, with an authorized capital of $88,358,643, reporting to the Department of Finance in 1905 as compared with the 104 companies with $108,361,523 of capital making returns in 1899:

	1899.	1905.
Liabilities to stockholders	$ 60,000,772	$ 70,594,991
Deposits	19,466,676	22,270,481
Debentures payable in Canada	13,956,083	21,394,845
Debentures payable in Britain	37,372,811	43,585,832
Liabilities to the Public	88,142,728	137,486,235
Total liabilities	148,143,495	208,081,226

	1899.	1905.
Loans on Real Estate	$111,672,467	$141,157,908
Loans on securities	1,099,235	1,907,218
Securities owned	5,272,222	6,418,235
Cash	3,660,129	7,153,522
Total Assets	148,664,120	208,081,226

The decrease in Companies reporting was, it may be added, partly due to failures and partly to amalgamation. On Jan. 1st, 1906, one of these latter arrangements took effect in the assimilation of the Canada Savings & Loan Company of London by the Huron & Erie Savings Company, with a combined capital of $5,000,000. At the close of the year the Standard Loan Co. of Toronto took over the Canadian Savings, Loan & Building Association. One of the interesting financial incidents of the year was the position attained by the Hudson's Bay Company. Its shares rose in the market to the highest point—up to October—of 99 and the lowest of 84, expressed in pounds sterling; and one of those in Montreal who had been trying to "boom" the stock of this most conservative Company declared that ultimately it would be worth $2,000 a share. In 1898 the highest figure had been 27 and the lowest 18 (pounds sterling). At the annual meeting of its General

Court on July 2nd, the Governor, Lord Strathcona, announced a profit of £190,000 and a dividend of £3 10s. per share. For the year ending March 31st, there had been 226,197 acres of farm lands sold realizing £331,156 with town lots realizing £70,339. According to the *Financial Times* the following was the record of the Company in recent years:

Year.	Profits from Trading.	Profits from Land.	Total Net Profit.	Dividend Per Share.
	£	£	£	s. d.
1891-2	6,492	19,910	26,402	6 6
1892-3	52,408	18,945	71,353	12 0
1893-4	34,369	11,544	45,913	10 0
1894-5	57,901	2,375	60,276	12 0
1895-6	60,744	5,033	65,777	13 0
1896-7	55,780	5,137	60,917	13 0
1897-8	59,875	9,500	69,373	13 0
1898-9	105,285	20,310	125,595	20 0
1899 00	125,786	29,249	155,045	25 0
1900-1	40,042	28,495	68,537	15 0
1901-2	68,503	69,095	138,198	22 6
1902-3	142,001	177,857	319,858	22 6
1903 4	98,934	179,048	277,982	35 0
1904-5	102,969	187,364	290,333	38 0
1905-6	190,207	222,035	412,242	80 0

A feature of financial affairs which, also, excited some interest in 1906 was the evidence of how active certain prominent financial men were in the development of a varied number and character of interests.* Something like 140 individuals each occupied seats on the Directorate of five or more commercial and financial corporations. Some of them were upon a large number of Boards with Senator George A. Cox and Mr. Frederic Nicholls taking first place in 28 Companies. Sir Henry Pellatt and Senator Robert Jaffray came next upon 21 Directorates and Sir W. C. Van Horne was third with 20 seats to his credit. Lieut.-Colonel Henshaw of Montreal and Mr. E. B. Osler, M.P., of Toronto, were upon 19 Corporations and Messrs. William Mackenzie, H. S. Holt, James Ross, Sir H. Montagu Allan and Senator Robert Mackay upon the Boards of 16 concerns.

British and American Investments in Canada

In the current development of Canada, money, and lots of it, was required. There had, of course, always been large investments of British capital in Canada. The Government loans, sometimes guaranteed by the Imperial authorities and latterly placed in the market entirely upon their own merits, were taken up by British investors and in this way Canadian railways, canals and preliminary development were financed. Such Canadian securities, quoted upon the London Stock Exchange, totalled $658,000,000 in 1882, $1,029,000,000 in 1894 and $1,544,000,000 in 1906. The following details in pounds sterling were given by the *Canadian Gazette* of London in its issue of Aug. 30th, 1906:

* NOTE—For details see W. R. Houston's *Directory of Directors* in Canada.

Loans.	1882.	1894.	1906.
Government	£26,250,000	£41,451,000	£42,274,000
Provinces	4,537,000	6,747,000	13,613,000
Corporations	3,492,000	8,657,000	9,498,000
Paid-up Capital.	**1882.**	**1894.**	**1906.**
Railways	88,758,000	129,199,000	192,524,000
Land and Finance	3,598,000	10,968,000	18,633,000
Mines	480,000	720,000	6,568,000
Banks and Insurance	3,812,000	4,000,000	6,150,000
Navigation	362,000	822,000	1,035,000
Gas	.....	102,000	.....
Electric Light and Power	.....	.....	8,035,000
Collieries	.....	215,000	541,000
Telegraphs	.....	400,000	400,000
Tramways	.....	600,000	3,623,000
Waterworks	.....	420,000	422,000
Breweries	.....	248,000	493,000
Miscellaneous Industrial	503,000	1,231,000	5,046,000
Total	£131,792,000	£205,780,000	£308,855,000

Still, there was constant complaint in Canada as to the apparent lack of interest shown by Great Britain in the financial side of the country's life. British money might come out in various forms and multitudinous details but the source was not generally recognized.* Wealthy Englishmen did not come to Canada and parade their individual investments in public and the people at large did not see within the charmed circle of financial management and method. In an address on Jan. 11th of this year, however, Mr. E. R. Wood of Toronto let some light into recent British investments and showed that Canadian business interests were now getting a very full share of the surplus wealth available in London. He stated that in 1905 Canadian bond issues—Municipal, Provincial, new and reorganized Corporations—totalled $134,874,531 as against $34,249,247 in 1904. Of the 1905 total $27,732,500 was taken in Canada; $84,996,794 in England; and $7,450,000 in the United States. In 1906 enormous liquidation of British war expenditures in South Africa left more capital available for Canadian purposes. Speaking on July 23rd Mr. D. M. Stewart of the Sovereign Bank declared that to his knowledge $10,000,000 was at that moment ready, chiefly in England, for investment in Canadian industries. The total amount of investment, however, outside of Dominion Government securities, did not equal the preceding year. According to Mr. E. R. Wood's figures, again prepared with much care, the totals were as follows:

Canadian Bonds Issued.	1906.	Investors.	Corporation.	Municipal.	Provincial.
Municipal	$ 9,087,008	Canada	$12,375,000	$ 7,723,958	$3,206,000
Provincial	9,206,000	Great Britain.	19,655,000	908,700	6,000,000
Corporation	35,694,000	United States.	3,664,000	454,350	...
Total	$53,987,008		$35,694,000	$9,087,008	$9,206,000

* NOTE—Of the total Australian Debt ($1,183,000,000), more than $945,000,000 was borrowed directly in London.

The principal beneficiaries by these investments of the public, so far as industrial and financial corporations were concerned, were the Electrical Development Company of Ontario $3,000,000; the Grand Trunk Railway $5,000,000; the Canadian Northern Railway Company $7,200,000; the Atlantic and Quebec Western Railway $3,750,000; the Montreal Warehousing Company, the Shawinigan Water & Power Company, the Bell Telephone Company, the Canadian Consolidated Rubber Company and the Windsor Hotel Company for $1,000,000 each; the Winnipeg Electric Company and the Provincial Light, Heat and Power Company for $1,500,000 each. During the year the Canadian General Electric Co. of Toronto received $1,250,000 of British money as an investment in its capital stock; the celebrated Scottish Co-Operative Wholesale Society announced its intention of investing in the wheat interests of the West; a group of London capitalists secured control of half-a-million acres of land in Northern Alberta; Madame Albani purchased a tract of land near Daysland, Alberta; the London *Financier and Bullionist* sent its Editor out to investigate Canadian resources and his paper contained a series of glowing reports upon Canada as a field for British investment; Mr. C. A. Hanson, the London banker, told the Montreal *Gazette,* on March 19th, that Canadian securities of all kinds were in excellent demand and were influenced less by a depressed market than almost any others. The sympathy of the lending classes towards the Dominion had been evoked and, "to his personal knowledge large sums of money had come to Canada within the past twelve months." Speaking to the Winnipeg *Free Press* on Oct. 15th, Mr. J. G. Colmer, C.M.G., member of the well-known Coates banking firm in London, made the following comment:

> There is a big aggregate of English capital invested in Canada, most of the Dominion Government loans being held in the Old Country and a good deal of the Provincial and Municipal indebtedness, too, and much English money is invested in the C. P. R., the G. T. R., and Canadian industries. The connections between the two countries are very strong and are bound to become stronger. The Municipal loans have been favourite investments in England of late years. The dearness of money however, has affected the market temporarily, though the fall is in no way due to any diminution of confidence in Canadian securities. There is no part of the world which, from the financial standpoint, occupies a better position in the English money market than Canada to-day.

Meantime, the Americans had not been idle. Visiting business men came and saw the country and praised its illimitable and, to them, surprising resources. Companies were organized in New York, Chicago, Minneapolis, and elsewhere for the purchase of Western lands; United States immigrants brought money estimated at $30,000,000 to $50,000,000 into the country and immigrating farmers purchased land as well as taking homesteads. Factories were established at many points, in eastern Canada particularly, as branches of United States concerns and,

at the close of 1906, a conservative estimate placed the American money invested in Canadian manufactures at $200,000,000. The net result of this and other elements of progress was what the London *Times* described when it said that: "The greatest event in the British Empire to-day is the expansion of Canada."

A subsidiary development in this connection was the investment of Canadian capital, or re-investment of British money, in external enterprises—Cuba, Jamaica, Mexico, and Brazil. The Mexican Light and Power Company, Ltd., with its paid-up capital of $13,000,000 was chiefly a Canadian enterprise with Messrs. James Ross, J. H. Plummer, E. S. Clouston, E. R. Wood and Sir George Drummond as the most interested financiers. Another syndicate, with Mr. B. F. Pearson of Halifax as President, also acquired interests and projected electric and other enterprises in the City of Mexico during 1906. So much concerned were Montreal capitalists in these investments that the Bank of Montreal opened a branch in that capital early in the year. Sir W. C. Van Horne's interests in Cuban railways were also large, while the investments by individual Canadians in stocks of such United States concerns as the Twin City Electric Railway of St. Paul, the Detroit United Railway, and the Toledo Electric Railway, were large in bulk if not in single sums. Much Canadian money was also invested in the Sao Paulo Light and Power Company (Brazil) stock; while the Canadian issue of bonds for Porto Rico Railways totalling $1,500,000 and for the Puebla Light and Power Company (Mexico) of $1,600,000 further illustrates this condition.

Canadian Banks and Banking Conditions

The expansion of Canadian banking facilities, profits, and financial interests, continued and developed during 1906. The paid-up capital of the 36 banks increased $10,000,000 and the authorized capital $12,000,000. The latter figure included three new banks—the Sterling, United Empire and Farmers—with a combined capital of $7,000,000; and the increase of $500,000 in stock of the Bank of New Brunswick; $1,000,000 in that of the Imperial Bank of Canada; $2,000,000 in that of the Traders Bank of Canada; the same sum in that of the Sovereign Bank of Canada. The reserve funds also increased $9,000,000 in amount divided pretty much amongst all the banks but with a notable addition of $1,000,000 to the Rest of the Bank of Montreal; $1,050,000 in the Bank of Nova Scotia; $570,000 in the Bank of Toronto; $500,000 in the Canadian Bank of Commerce; $990,000 in the Royal Bank of Canada; $400,000 in the Dominion Bank; $591,000 in the Standard Bank of Canada; $730,000 in the Imperial Bank of Canada; $800,000 in the Traders Bank of Canada; $775,000 in the Sovereign Bank of Canada.

Between the close of 1905 (Dec. 31st) and the end of 1906 deposits in Canada increased by $77,000,000 and elsewhere than

in Canada by $22,000,000; the specie and Dominion notes increased by $1,000,000; the call and short loans in Canada increased over $7,000,000 and outside of Canada decreased $2,000,000; the current loans in Canada jumped up $90,000,000; the total assets increased $138,000,000; while the total liabilities advanced $120,000,000. The total profits of the year to the banks were placed by the *Financial Chronicle* of Montreal at $21,211,893 as compared with $13,015,803 in 1904. To the banks in general the year was better than in 1905 and that had been one of unprecedented prosperity. According to figures compiled by the Toronto *News** the percentage of profits to capital in some of the banks in 1906 was as follows: Nova Scotia 23·80 per cent.; Dominion 17·98 per cent.; New Brunswick 17·00 per cent.; Royal 17·11 per cent.; Commerce 17·41 per cent.; Hochelaga 17·30 per cent. The Metropolitan, Ottawa, Hamilton, Toronto and Molsons all had over 14 per cent. of a profit upon their paid-up capital. The total profits of the Banks for 1906 were estimated at $21,211,893 of which $7,208,963 went into dividends, $9,943,089 went to Rest or reserve funds, $1,331,982 was applied to premises and $460,919 used for depreciation, bonuses, pensions, etc. The volume of bank business and its increase are indicated in the Clearing House statistics of the two preceding years and 1906:

City.	1904.	1905.	1906.
Montreal.....	$1,065,067,000	$1,324,313,000	$1,533,597,000
Toronto	842,097,066	1,047,490,701	1,219,125,000
Winnipeg	294,601,437	369,868,179	504,585,000
Halifax	90,115,784	89,251,562	91,837,000
Hamilton	59,003,081	68,385,601	78,480,000
St. John	51,422,858	52,836,333	60,042,000
Vancouver	74,029,902	88,460,391	132,606,000
Victoria	33,070,009	36,890,464	45,615,000
Quebec	79,843,927	85,795,000	91,618,000
Ottawa	106,637,587	120,892,000	135,327,000
London	45,552,230	50,429,511	57,863,000
Calgary	.....	.....	36,864,000
Edmonton	.....	.....	17,127,000
	$2,741,440,881	$3,334,612,742	$4,004,686,000

The question of responsibility in connection with bank management, and present methods of inspection, came in for some expert as well as public discussion during the year. Speaking on Jan. 15th Senator Gibson, President of the Bank of Hamilton, referred to a case of minor defalcation in that institution and went on to say: "You have to trust the people employed by you and we have to depend on the fidelity of our agents. You may say that the inspection is not rigid enough. I believe that you may have too much inspection. If you let an agent think that he is being spied upon he will probably sit and do nothing and your business is bound to suffer." Later in the year the Traders

* NOTE—January 11th, 1907.

Mr. E. S. Clouston.

Vice-President and General Manager Bank of Montreal.

Re-elected President of Canadian Bankers' Association, 1906.

Mr. D. R. Wilkie.

General Manager of the Imperial Bank of Canada.

Elected President of the Bank, 1906.

Bank announced the adoption of a new system of inspection which involved careful examination of Head Office securities, Directors' oversight of their custody, and the appointment of a Directors' Auditor in the person of Mr. N. F. Hillary. The Montreal *Witness* having suggested an independent audit of Bank conditions, Mr. Durnford of the Molsons Bank, on Oct. 31st, vigourously criticized the proposal. If it were a Government audit it might become political; if a shareholders' audit dishonesty would be as possible in the person chosen as it is now. The professional auditor usually knows little or nothing of banking, its methods, or management. A shareholders' auditor was not much good in the Glasgow Bank affair. "If," he concluded, "with all the checks a bank has against misappropriation, dishonest officials sometimes succeed in doing wrong, what chance would an independent auditor have of finding out whether anything was wrong or not?"

Mr. H. C. McLeod, General-Manager of the Bank of Nova Scotia, in *The Globe* of Nov. 22nd, on the other hand, supported the demand which many newspapers were making, in connection with the Ontario Bank failure, for some system of external inspection. He declared that most of the failures of banks since 1880 had been more or less fraudulent; that the proportion was greater, numerically, in Canada than in the United States; that a prudent Government Inspector could, by his advice and authority, save the situation in most cases and direct the management into safe channels. The chief argument against such Government inspection, it may be added, was the impossibility of any outsider passing upon the credits given by a bank. On Dec. 6th it was announced that this particular institution would, in future, follow the Scotch system and employ chartered accountants from Edinburgh, trained in bank inspection, to verify its official statements. It was also stated that this system had for years been in vogue in the Bank of British North America at its London headquarters. Some such plan of a shareholders' audit was favoured in many quarters but that of Government inspection was opposed by nearly all bankers with the exception of Mr. McLeod and, notably, by Mr. Thomas Fyshe, lately General-Manager of the Merchants Bank. Mr. B. E. Walker's view of the general situation was given in a Toronto *World* interview on Oct. 30th:

> (1) No one man should be put in charge of a Bank without check or inspection. He should not himself permit it and the Directors should not permit it.
>
> (2) Every General Manager and other important officer should have associated with him some men—or one man at least—to divide his responsibility, to aid him with advice, and capable at a moment's notice of taking his place, if necessary.
>
> (3) While the Directors cannot be expected to count the cash or attend to many details, they are responsible for the way in which, and the persons to whom, they delegate their authority. They should not abdicate their functions, but should keep in touch with the affairs of the institution. And their powers should not be turned over to any one man, responsible to nobody.

Another question and development of great importance was the continued organization of new banks; with a natural tendency amongst older bankers to look at the process with suspicion. But bankers were not alone in this feeling and the Toronto *Globe* of June 4th pointed out how serious a step the sanctioning of new charters was. "It is essential that Parliament be assured of the standing and good faith of the men to whom charters are issued." The Montreal *Chronicle,* of July 27th, declared that "any new banks will enter a field that is well occupied. They will not find good business waiting for them, but will have to displace existing interests. It will be necessary for them to offer inducements of lower charges or more extended accommodation." Mr. D. R. Wilkie, addressing the Imperial Bank shareholders on May 23rd, made this reference to the subject:

> I consider that when banks get their charters there is a certain amount of obligation that they will supply to the country the necessary banking facilities, and that the existing banks are better able to do than new banks. They have accumulated large Rests; they are in the position to do business and have got connections that give them a very great advantage over new banks. I am inclined to think that there is a danger through so many new banks being started; you can hardly expect that all of them are going to be managed with prudence and care; in their anxiety to get new business we may find mistakes made that will be very detrimental to the financial business of the country.

In the Senate, on May 29th, the proposal to incorporate the Colonial Bank of Canada, with $3,000,000 capital, aroused discussion. Messrs. Power, McMullen and Ferguson criticized the measure on the ground that there were already banks enough. The Bill, however, passed in due course. Despite these and similar criticisms new banks continued to be promoted and organized, to obtain plenty of capital to do business, and to apparently prosper. The charter of the Alliance Bank of Canada expired in 1905; that of the Bank of Winnipeg was apparently dropped; two others were absorbed by other enterprises of the same kind; the Monarch Bank of Canada remained unorganized; and three institutions started business in 1906. On April 23rd the Sterling Bank of Canada was organized with a Directorate composed of Messrs. G. T. Somers, Toronto (President), W. K. George (Vice-President), J. C. Eaton, William Dineen, Noel Marshall, Sydney Jones and Dr. H. Wilberforce Aikins—all of Toronto; C. W. Spencer of Montreal; and J. H. Tilden of Hamilton. Mr. F. W. Broughall was appointed General-Manager and Mr. W. D. Hart Inspector, and the Bank was opened for business on May 1st with headquarters in Toronto; an authorized capital of $1,000,000; and a paid-up capital of $423,964.

The United Empire Bank of Canada opened on Aug. 1st with an authorized capital of $5,000,000, a paid-up capital of $334,688 and the following Board of Directors: Samuel Barker, M.P., of Hamilton (President); Mark Bredin, E. E. A. DuVernet, the Rev. Dr. T. C. Street Macklem, M. McLaughlin and W. J. Smith —all of Toronto; George A. Clare, M.P., of Preston; Bennett

Rosamond of Almonte; and T. Willes-Chitty, S. Stanley Marling and Lieut.-Colonel F. T. C. DuVernet—all of England. Mr. George P. Reid was appointed General-Manager and Mr. F. J. Gosling Inspector. The Farmers Bank of Canada, with an authorized capital of $1,000,000 and a paid-up capital of $300,240, was established during the year after some trouble with a few dissatisfied shareholders. This was settled and the institution duly organized on Nov. 26th with Lieut.-Colonel R. R. McLennan of Cornwall as Honorary President; Dr. W. Beattie Nesbitt of Toronto as President and Lieut.-Colonel James Munro, M.L.A., of Woodstock, as Vice-President. The other Directors were Messrs. John Gilchrist, N. M. Devean, Allan Eaton, W. G. Sinclair and Robert Noble. Mr. W. R. Travers was appointed General-Manager.

An event of the year in banking circles was the absorption on June 1st of the Merchants Bank of Prince Edward Island, with its paid-up capital of $350,400, deposits of $955,000, assets of $2,072,076 and liabilities of $1,361,882, by the Canadian Bank of Commerce. The shareholders received $193.50 for each $100 of their stock or a premium of 93½ per cent. On Jan. 9th, at the annual meeting, Mr. H. D. Warren of Toronto and Mr. Byron E. Walker, General-Manager, were elected Directors of the Commerce. On Dec. 1st, following, a bonus of one per cent. was paid to the shareholders in addition to the usual dividend of 7 per cent. Another interesting incident of the year was the election on Jan. 30th of Mr. D. R. Wilkie, General-Manager of the Imperial Bank of Canada since its organization in 1875, as President. Mr. Wilkie had the honour of being not only the oldest in length of service of the General-Managers in Canada but of being a most influential and respected one. At the annual meeting on May 23rd the appointment was confirmed with the understanding that for the present he would also continue in charge of the active management of the institution.

The Home Bank of Canada, dating as a Loan and Savings Company from 1854, but only organized as a Bank in December, 1905, paid a dividend during June at the rate of 6 per cent. for the first five months of its operation. At Christmas a special dividend of 30 per cent., upon the old business of the Home Savings and Loan Company, was paid to the shareholders of that institution and, on Dec. 31st, this new banking institution had deposits amounting to $4,200,000 with total assets of over $5,000,000. Another institution which apparently made marked progress during the year was the Sovereign Bank of Canada. At a special meeting of its shareholders, on March 1st, permission was given to increase the capital stock by $2,500,000 in order to meet conditions under which the Dresdner Bank, of Berlin, Germany—with a paid-up capital and surplus of over $50,000,000—had, after various negotiations with Mr. D. M. Stewart, General-Manager and Vice-President, offered to purchase 15,625 shares of Sovereign Bank stock at $130, involving a net cash investment

of $2,031,250. At the annual meeting on June 12th Mr. Stewart announced the appointment of the Bank as Agents in Canada for the Commercial Banking Company of Sydney, Australia, and the National Bank of South Africa. On Oct. 31st, the assets of the Bank were stated to have increased over $11,000,000 during its fiscal year.

Like Mr. B. E. Walker, Mr. D. R. Wilkie and Colonel Mason, Mr. Stewart took a prominent interest in public affairs and during the year addressed meetings of the Canadian Club at Boston and at London, the Empire Club at Toronto, etc. On May 14th it was announced that Mr. C. A. Bogert had been appointed General-Manager of the Dominion Bank in place of the late T. G. Brough. On Dec. 16th the Traders Bank of Canada was established in its new headquarters building in Toronto—said to be the highest commercial structure in the British Empire—and celebrated also an increase in its business and one of nearly $8,000,000 in its assets during the year. About the same time Mr. Stuart Strathy was appointed Assistant General-Manager, Mr. N. F. Hillary, Superintendent of Agencies and Mr. J. A. M. Alley, Manager of the Toronto Office.

Nearly all the Canadian banks increased their business during 1906 and it may be stated, as an illustration, that the deposits of the three largest institutions increased as follows: Bank of Montreal $15,000,000; Canadian Bank of Commerce $20,000,000; the Merchants Bank of Canada $6,000,000. It may be mentioned here that during the year Mr. E. F. Hebden's appointment as General-Manager of the last mentioned institution was confirmed. On Nov. 8th the Canadian Bankers Association met in Toronto with Mr. E. S. Clouston of the Bank of Montreal in the chair and about 30 other heads of banking institutions present together with the Hon. W. S. Fielding, Minister of Finance. It was understood that amendments to the Banking Act, in view of the Ontario Bank failure, were under consideration. Mr. Clouston was re-elected President, as were the other officers of 1905. Some banking appointments of the year, not already mentioned, may be given here:

Institution.	Place.	Position.	Name.
Canadian Bank of Commerce..	Toronto.....	Director..	Hon. W. C. Edwards.
Canadian Bank of Commerce..	Toronto.....	Manager..	M. Morris.
Imperial Bank of Canada.....	Toronto.....	Director..	William Whyte.
Imperial Bank of Canada.....	Toronto.....	Director..	Cawthra Mulock.
Union Bank of Canada	Quebec.....	President.	Hon. John Sharples.
Union Bank of Canada	Quebec.....	Director..	G. H. Thomson.
Union Bank of Canada	Quebec.....	Director..	M. B. Davis.
Bank of Montreal	Toronto.....	Manager..	A. D. Brathwaite.
Sovereign Bank of Canada....	Montreal.....	Director..	A. E. Dyment.
St. Stephen's Bank	St. Stephen, N.B..	Cashier...	Julius T. Whitlock.

Bank Branches and Extensions in 1906

The organization of new branches continued during the year and its advisability became also a subject of some discussion. On Jan. 1st, 1905, 34 Canadian Banks had 1,145 branches, 168 were added to the list in the ensuing year, and the process continued during 1906. Speaking to the press on Sept. 30, of the

latter year, Senator L. J. Forget declared that this particular development in the Western Provinces was abnormal and might easily become a hindrance to healthy progress. Mr. E. S. Clouston, of the Bank of Montreal, endorsed this view on Oct. 8th, while at the same time feeling that the undue activity was caused by a natural desire to keep in touch with a commercial and financial pulse which continued to beat with great intensity. Much care, however, should be taken in this respect from now on. Mr. B. E. Walker did not seem to be alarmed upon this point and, speaking in Edmonton on Sept. 22nd, declared that the Canadian Bank of Commerce had then 80 branches in the West, as compared with 76 in the East. Some figures compiled by the *Monetary Times* as to the evolution of this system between 1900 and 1906 may be quoted here—only the larger Banks being given:

Bank.	1900.	1906.
Bank of Montreal	49	95
Bank of Nova Scotia	33	53
Bank of British North America	24	51
Bank of Toronto	16	61
Molsons Bank	38	61
Eastern Townships Bank	13	45
Union Bank of Halifax	30	36
Ontario Bank	19	30
Banque Nationale	17	27
Merchants Bank of Canada	63	111
Banque Provinciale	8	21
Union Bank of Canada	42	120
Canadian Bank of Commerce	48	152
Royal Bank of Canada	38	65
Dominion Bank	20	49
Bank of Hamilton	31	96
Standard Bank of Canada	19	37
Banque d'Hochelaga	6	19
Bank of Ottawa	26	57
Imperial Bank of Canada	27	59
Western Bank of Canada	9	24
Traders Bank of Canada	22	59
Sovereign Bank of Canada	..	69

The seven new institutions formed since 1900 represented 192 branches, and others not mentioned above included increases of 20 in number. By its acquisition of the Merchants Bank of Prince Edward Island the Canadian Bank of Commerce obtained branches at Charlottetown, Summerside, Alberton, Montague and Souris in that Province. It also opened up during 1906 at Banff, Crossfield, Gleichen, Innisfree, Leavings, Stavely, Stony Plain, Strathcona and Wetaskiwin, in Alberta ; at Canora, Humboldt, Kamsack, Langham, Lashburn, Radisson, Vonda, Wadena, Watson, and Weyburn in Saskatchewan ; at Norwood and at three separate points in Winnipeg, Manitoba ; at Fort William, Kingston, Latchford, Lindsay, Ottawa, Parry Sound, Wingham, and at two points in Toronto, Ontario; at Montreal (West End), the City of Quebec, and De Lorimier, in Quebec Province. Three branches in the Maritime Provinces were closed.

The Bank of Nova Scotia opened at Canning and Springfield in Nova Scotia, at Sackville and St. Mary's in New Brunswick and at Saskatoon in the West. The Royal Bank of Canada expanded largely during the year and established branches at Arthur and Kenilworth, Bowmanville, Chippewa, Cornwall, Guelph, Hanover and Elmwood, Niagara Falls and Peterborough in Ontario; at Montreal in two districts; at Kensington in Prince Edward Island; at Calgary and Edmonton in Alberta;

at Dominion City, Durban, Lander, Plumas, and Winnipeg in Manitoba; at Halbrite, Lipton and Moose Jaw in Saskatchewan; and at a new point in Vancouver. The Bank of Ottawa opened at Haileybury, Cobalt, Perth, at a new point in Ottawa, and at Beachburg and Westmeath—all in Ontario; at Campbell's Bay and St. Andrews in Quebec and at Tisdale in Saskatchewan. The Dominion Bank opened at two points in Toronto and at Windsor, Dresden, Chatham, Tilbury and Peterborough—all in Ontario; and at Calgary and Regina in the West.

The Sovereign Bank of Canada spread throughout Ontario and opened at Brampton, Brechin, Brucefield, Chatham, Durham, Essex, Fletcher, Goderich, Hamilton, Harrietsville, Huntsville, Ilderton, London East, Millbank, Owen Sound, Pefferlaw, Penetanguishene, Queensville, South River, South Woodslee, St. David's, Stratford, Tilbury and Walton. It opened also at Brome in Quebec. The Bank of Toronto established branches at one new point in Toronto and at Aurora, Bradford, Burford, Hastings, London North, Lynden, Merritton, Newmarket, Parry Harbour, Shelburne, Waterloo and Victoria Harbour in Ontario; at Cartwright, Pilot Mound, Portage la Prairie, Rossburn and Swan River in Manitoba; at Langenburg, Quill Lake, Wolseley, and Yorkton in Saskatchewan. The Merchants Bank of Canada opened branches at Alix, Sedgewick and Daysland in Alberta; at Forget and Gainsborough in Saskatchewan; at Orillia, Ont., Russell, Man., and Vancouver, B.C.

New branches of the Western Bank of Canada were opened at Little Britain, Hickson, Bright, Dublin, Pefferlaw, Shakespeare, Innerkip and Brooklin—all in Ontario. The Molsons Bank opened at Drummondville, Maisonneuve, St. Henri, and St. Flavie Station, in Quebec; at Queen St. West in Toronto and at Edmonton in Alberta. The Imperial Bank of Canada opened at Banff, Red Deer, and Calgary (East End) in Alberta; at Toronto (King and Spadina), Brantford, London and Ottawa (Bank St.) in Ontario; and at Quebec City. The Bank of Hamilton established itself in Ancaster, Selkirk, Princeton, Brantford (East End), Milverton, New Hamburg, Neustadt and Toronto (Yonge and Gould) in Ontario; at Elm Creek, Holmfield, La Rivière, Mather, Snowflake, Swan Lake in Manitoba; at Carieville, Caron, Francis, Mortlach and Warman in Saskatchewan; at Edmonton and Nanton in Alberta; and at Salmon Arm and Vancouver (Cedar Cove) in British Columbia.

The Bank of Montreal opened a branch at Saskatoon in the West and sub-agencies at Fenelon Falls, Ont., and Bank Street, Ottawa; at St. Henri in Montreal, Upper Town in Quebec and Ste. Anne de Bellevue; at Fort Rouge in Winnipeg and at Chilliwack and Summerland in British Columbia. The Metropolitan Bank opened at Agincourt, Ameliasburg, Guelph, Maynooth, Parkdale, Port Elgin, Streetsville, and Lee Avenue, Toronto—all in Ontario. The Standard Bank of Canada opened

at Castleton, Consecon, Woodville, Ottawa, Lindsay, Cambray, Belleville, Bond Head, Priceville, Cobalt and Yonge St., Toronto —all in Ontario. The new branches of the Traders Bank of Canada in Ontario were at Brownsville, East Toronto, Harriston, Kenora, Riverdale (Toronto), Tavistock, Waterdown, Webbwood and Massey; in Alberta at Calgary, Edmonton and Stettler; at Regina in Saskatchewan and at West Selkirk in Manitoba.

In Quebec Province La Banque Nationale established branches at St. Tite, St. Raymond, St. Aime, L'Islet, Matane, Trois-Rivières, New Carlisle, St. Pascal, and Shawinigan Falls. The Union Bank of Halifax extended itself to Amherst and Bridgewater, Lunenburg, San Juan and Whitney Pier—all in Nova Scotia; and to Charlottetown in Prince Edward Island. The Union Bank of Canada opened at Roseneath, Leamington, Kingsville, Melbourne, and Thornton in Ontario; at Minto, Roblin, Waskada, Dauphin and Brandon in Manitoba; at Swift Current, Esterhazy, Fillmore, Lemberg, Strassburg, Craik, Cupar, Maple Creek, Saskatoon (West End) in Saskatchewan; at Lacombe, Airdrie, Blairmore, Brandon, Claresholm and Cowley in Alberta; and at St. Polycarpe in Quebec.

The Bank of British North America opened at Alexander and Darlingford in Manitoba; North Battleford, Sask., North Vancouver, B.C., and at King and Dufferin Streets, Toronto. La Banque d'Hochelaga extended into Maisonneuve, St. Hyacinthe, St. Jacques, Ville St. Louis and to a new point in Montreal; also to St. Pierre in Manitoba. The Eastern Townships Bank opened branches at Beebe Plain, Bishop's Crossing, Eastman, Marbleton, St. Chrysostom, St. Ferdinand d'Halifax and St. George de Beauce—all in Quebec; and at Coleman and Taber in Alberta.

Of the new institutions the Crown Bank of Canada opened at Toronto (Spadina and College Sts.), Bath, Inglewood, Mallorytown, Napanee and Scotland—all in Ontario. The Farmers Bank of Canada opened at Milton, Norval, Camden East, Burgessville, Cheltenham, Weston, Williamstown, Kerwood, Zephyr, Trenton and Belleville—all in Ontario. The Sterling Bank of Canada concluded its first year with branches at Alfred, Almonte, Cornwall, Courtwright, Dungannon, Fort Erie, Goderich, Haliburton, Kearney, Killaloe, Kirkfield, Lefroy, Maple, Mountain, Newington, Orangeville, Parkdale, Port Burwell, Port Stanley, St. Catharines, Sebringville, Sombra, Mille Roches, L'Orignal, Shedden, Sparta, Stevensville, Tamworth, Thornhill, Uxbridge, Varna, Walford, Wellandport and two in Toronto. All of these were in Ontario, together with sub-agencies at Bayfield, Cooksville, Jordan, Lefaivre, Osnabruck Centre, Port Credit and Port Dalhousie.

The Home Bank of Canada established branches during 1906 at Alliston, Belle River, Cannington, Everett, Lawrence Station,

St. Thomas, Melbourne, Tecumseh, Walkerville in Ontario; at Winnipeg, Man., and Fernie, B.C. The Northern Bank, which boasted being the only one local to the West, expanded during the year from its centre at Winnipeg to Beausejour, Binscarth, Brandon, Crandall, Glenboro, Melita, Miniota, Pierson, Pipestone, Rathwell, Somerset, Sperling, Stonewall, St. Boniface and three points in Winnipeg. All these places were in Manitoba. It also opened in Alberta at Calgary, Edmonton, High River, Macleod, Red Deer—with a sub-agency at Blackfalds; in Saskatchewan at Alameda, Balcarres, Dundurn, Earl Grey, Fleming, Glen Ewen, Hanley, Langham, Lloydminster, Macoun, Manor, Moose Jaw, Wolseley, Sheho, Sedley, Saskatoon, Saltcoats, Regina, Qu'Appelle and Prince Albert; in British Columbia at Vancouver and Victoria—with a sub-agency at Steveston; in Ontario at Fort William.

An interesting feature of the year was the expansion of some of the larger Banks into outside countries—indicative as it was of the growing external interests of Canadian finance. The Bank of Montreal which already had branches in the United States, in Newfoundland and at London, England, opened a new one in Mexico City, Mexico; the Canadian Bank of Commerce, with branches in New York, Portland (Oregon), San Francisco, Seattle and Skaguay in the United States, and at London, now opened another at San Francisco, U.S.A.; the Royal Bank of Canada extended its operations in Cuba, which included existing branches, and established itself at Cienfuegos, Manzanilla and at a new point in Havana. The Bank of Nova Scotia, which had two branches in Newfoundland, two in the United States, and three in the West Indies, opened one at Port Antonio, Jamaica and another at Port of Spain, Trinidad.

Fire Insurance Conditions in Canada

During the year ending Dec. 31st, 1905,* the premiums received by Fire Companies in Canada amounted to $14,285,671 or an increase of $1,100,000 over 1904; and paid losses of $6,000,519 or a decrease of over $8,000,000. The rate of losses paid per cent. of premiums received was 42·00. For the 37 years ending with 1905 the total premiums received were $215,861,289, the total losses paid were $146,310,355 and the average rate of losses paid per cent. of premiums received was 67·78—a very good showing for 1905. The eight Companies transacting business outside of Canada took risks during the year of $263,456,550 in Canada and $630,294,223 in other countries; received premiums of $2,611,899 and $3,911,739 respectively; and paid losses of $1,277,772 and $2,307,655 respectively. The assets of the 13 Canadian Companies doing Fire business totalled $9,143,933; the total amount of risks carried was $876,903,758; the subscribed but not called up capital was $1,787,439; the

* NOTE—Official statistics of Insurance are always more than a year behind.

liabilities were $6,023,698. The paid-up capital was $3,614,071 and the dividends to shareholders $286,186. Other figures may be tabulated here:

	Gross Amount of Risks taken during the year.	Increase over 1904.	Premiums charged thereon.	Rate of Premiums charged per cent. of risk.
	$	$	$	
Canadian Companies....	301,816,272	62,582,245	4,706,640.29	1·56
British "	649,566,539	39,624,246	10,370,180.44	1·60
American "	188,712,561	35,583,776	3,185,216.36	1·69
Totals.....	1,140,095,372	137,790,267	18,262,037.09	1·60

The Report of the Ontario Government's Insurance Inspector in 1906 showed, outside of the Companies licensed by the Dominion authorities, 3 joint stock fire insurance concerns, 13 partly stock and partly mutual companies and 70 purely mutual fire insurance companies. The first-mentioned companies had, for the year 1905, assets of $376,524, liabilities—excepting capital stock—of $158,844, paid-up capital of $284,162, a total income of $366,737 and expenditures of $302,046. The second class mentioned had assets of $2,450,162, liabilities—excepting capital stock—of $608,094 and capital stock of $297,208; a total income of $1,651,232 including premiums of $1,041,109; a total expenditure of $1,446,895, including losses of $673,937; and rebate or return premiums of $132,131. The purely mutual companies had assets of $6,924,163 of which $5,730,688 were unassessed premium notes; a total income of $418,170 and total outgo of $377,205; losses of $270,772. The gross amount at risk on the mutual plan was $218,318,810 and the new business taken during 1905 totalled $79,711,031. In Quebec the figures of mutual fire insurance companies included assets of $1,911,-752; income of $619,887 and expenses of $517,024; policies in force amounting to $62,544,198 and policies issued in 1905 to $27,389,751; losses of $285,242 and commissions paid to agents of $112,299. On Aug. 31st, 1906, these Companies were 15 in number with assets of $2,182,844, liabilities of $80,460, an income of $816,343 during the fiscal year, and an expenditure of $631,120. The policies in force amounted to $76,397,188 in value; the policies issued during the year to $38,045,904; the losses paid to $322,307.

The ratio of losses to income was 45·00 per cent. Amongst miscellaneous lines of insurance was the Ontario Farmers Weather Insurance Company with $1,539,360 at risk on Dec. 31, 1905, and $43,948 of assets; and the Canadian Mutual Live Stock Insurance Company with $13,015 at risk and total assets of $1,649. The Accident Insurance business of 1905 showed premiums in Canada of $996,578, new and renewed policies of $176,104,676, net amount in force on Dec. 31st of $153,227,781, losses incurred during the year of $378,050, and claims paid of

$362,093. The Employers' Liability Insurance showed $542,470 of premiums paid and $271,203 of claims paid.

At the Winnipeg meeting of the Canadian Manufacturers Association on Sept. 18th an elaborate Report was presented by the Insurance Committee of which Mr. P. H. Burton was Chairman and Mr. E. P. Heaton departmental Manager. The figures showed that the experiment which had commenced on Feb. 1st, 1905, had resulted in the accession of 271 members to the operations of the Department, carrying $20,457,788 of general insurance. The policies examined had totalled $10,751,274 of this and the risks inspected a total of $9,706,514. The losses adjusted had been 7 in number and $67,874 in amount; the direct annual saving claimed in premiums was $17,904. The creation of such a Department was admittedly to promote the eventual foundation in Canada of mutual fire insurance companies such as those of New England and careful investigation and recommendations were made along this line and endorsed by the Association so far as the general principle was concerned.

It was decided to ask from the Government (1) an amendment of the Insurance Act regarding the incorporation and licensing of mutual fire insurance companies; (2) the adoption of a fixed, definite and invariable standard insurance policy; (3) the regulation of the aggregate liability of such mutual companies in cities and towns under conflagration conditions. The work of the Insurance Department of the Association in supervision and protection of the members' interests; in the collection of statistics and suggestion of improved methods of construction and distribution; in the betterment of municipal fire appliances and water supplies; in the enforcement of building laws and by-laws; was reviewed and approved. Meantime, on Jan. 18th, the Canadian Manufacturers' Council had passed a Resolution asking the Government to appoint a Commission of Inquiry into the whole subject of fire insurance in Canada with a view to its better regulation and control and later in the year it was definitely stated that Parliament would be asked to charter two Companies called the Industrial Mutual and the Eastern Manufacturers Mutual respectively. The Head Office of the former would be in Toronto and of the latter in Montreal. At the annual Convention of the Canadian Manufacturers Association on Sept. 17th a meeting of those interested in this general project was held with Mr. P. H. Burton in the chair. Mr. E. P. Heaton reviewed conditions in New England and in Canada at length and stated that in connection with the projected Mutual Companies their Insurance Department had 304 signed agreements in hand involving $2,400,000 of insurance in each of the two Companies. Provisional organization was effected, after some general discussion, with Mr. Burton as Chairman of the Toronto Company and Lieut.-Col. J. H. Burland Chairman of the Montreal Company. During the same month, it may be added,

the appointment was announced of Mr. W. B. Meikle of London as General-Manager of the Western and British America Companies in succession to Mr. J. J. Kenny, so well known for so many years in that connection.

Conditions of Canadian Life Insurance

The feature of Life insurance during much of 1905 and all of 1906 in Canada was popular discussion of the New York investigation into Insurance methods and management followed afterwards, as it was, by a Canadian investigation. Yet the total business done in Canada, though it may have fluctuated and changed in various ways, did not diminish but, on the contrary, increased. The new insurance effected in the year ending Dec. 31st, 1905, increased with Canadian Companies by over $7,000,000 and with British Companies by $700,000, although it decreased with American Companies by $1,600,000. The total insurance effected in Canada was $105,907,336 as against $98,306,102 in 1904. Similarly, the net amount in force increased from $587,880,790 to $630,334,240 of which Canadian Companies got an increase of $33,000,000, British Companies $1,000,000 and United States Companies nearly $8,000,000. The following table gives supplementary data regarding the 1905 business of 22 Canadian Companies, 6 British, and 12 American:

1905.	Canadian Companies.	British Companies.	American Companies.
Total amount of policies effected during year	$ 67,539,141	$ 3,881,980	$ 34,486,215
Total amount of insurance in force	397,946,902	43,809,211	188,578,127
Premium income during year	13,947,827	1,500,232	6,632,658
Terminated—			
(1) Naturally	14.20	28.08	18.10
(2) By surrender and lapse, out of each $1,000 current risk	66.96	33.25	114.16
Total actual amount of such lapses	$26,671,755	$1,481,329	$22,589,256

It is interesting to note that seven Canadian companies had new policies taken up in countries outside of Canada amounting to $22,881,628—an increase of over $2,000,000 upon the 1904 figures. The total amount paid to all policyholders in 1905 (other than Assessment Companies) was $26,535,365. Life Companies which had ceased to do new business in Canada received $76,597 in premiums and paid to policyholders $284,655. The amount paid out by the Companies generally for expenses was $5,711,905 and the dividends to shareholders $218,835. The total assets of Canadian Companies was $102,438,414, the liabilities (including Reserve) $92,982,284, and the capital stock paid up $4,161,107. The net assurance in force in other countries was $89,677,177 showing an increase over 1904 of $13,200,000. Three Companies, the London Life, the Union Life and the Metropolitan, handled Industrial insurance and another, the Sun Life, had what it called Thrift insurance while the Excelsior Life issued monthly policies.

Apart from the Royal Commission proceedings, and sometimes because of them, a number of interesting insurance incidents occurred during the year. The Monarch Life Company commenced business in Winnipeg with an authorized capital of $2,000,000 and $63,380 paid up; together with $82,847 paid in as premiums. Its Manager, Mr. Marshall Ostrom, resigned in October and was replaced by Mr. J. W. W. Stewart. The National Agency Company acquired control of the Toronto Life, which became so well known as an offshoot of the York Loan Company, in order to merge it in the Union Life Company. The Annuity Company of Canada was organized at Winnipeg with an authorized capital of $1,000,000 for the purpose of old-age pension insurance. Mr. Robert Muir was appointed President and Mr. G. J. Lovell, Secretary. The Sons of England Benevolent Society, at its annual meeting on Aug. 15th, decided to start a second insurance department to enable members of the existing Beneficiary system to take more insurance.

During the year Mr. Thomas Bradshaw, of the Imperial Life, issued a valuable pamphlet dealing with the investments of Canadian Life companies. After stating that insurance funds were not trust funds in the strictest and fullest sense of the phrase, but only partly so, the writer dealt with a point much discussed then and since: "The contract with the policy-holder is to pay the amount insured and to return whatever surplus may arise in the conduct of the business. The greater this return of surplus can be made, keeping always as a first consideration the safe and prudent conduct of affairs, the more satisfactorily will the trust reposed in the Directors be performed, and the lower will be the ultimate net cost of the insurance. In the strict administration of trustee funds the element of profit does not enter—in Life insurance administration it does. In order that Life offices' funds may be safely and profitably administered, a comparatively wide range of investments has always been recognized as essential; moreover it would appear that Life offices' Directors would be derelict in the performance of their trust, if they failed to exercise a constant watchfulness for loans and investments which, while not coming within the strict trustee list, or such as private investors would make, are absolutely safe and such as Life offices are empowered to invest in." He presented the following valuable table illustrating the change in character, during 8 years, in Insurance investments:

Class.	Investments, Dec. 31, 1896.	Per cent. of total, 1896.	Investments, Dec. 31, 1904.	Per cent. of total, 1904.
Real estate	$ 2,746,468	8·47	$ 4,893,608	5·37
Mortgages, real estate	12,011,285	37·02	23,573,875	25·85
Loans on collaterals	3,157,908	9·73	2,908,205	3·19
Loans on policies	3,141,189	9·68	8,812,029	9·66
Government securities	429,560	1·32	2,165,572	2·38
Municipal debentures	3,835,051	11·82	10,810,708	11·85
Carried forward	$25,321,461	....	$53,163,997	....

Class.	Investments, Dec. 31, 1896.	Per cent. of total, 1896.	Investments, Dec. 31, 1904.	Per cent. of total, 1904.
Brought forward	$25,321,461	....	$53,163,997	....
Railway debentures.....	725,998	2·24	13,519,063	14·82
Loan and Investment Company debentures	274,859	·85	1,204,531	1·32
Other Companies' debentures ...	1,261,706	3·89	6,780,467	7·43
Bank stocks	749,301	2·31	2,432,172	2·67
Railway stocks	218,000	·66	2,382,481	2·61
Other company stocks.....	365,907	1·13	3,797,913	4·17
Cash on hand and in bank	953,907	2·94	1,916,798	2·10
Interest and rents accrued.....	490,618	1·51	1,061,016	1·16
Outstanding and Deferred premiums	1,292,773	3·99	3,150,131	3·46
Miscellaneous	790,487	....	1,804,274	....
Total	$32,445,017	....	$91,212,843	....

Later in the year Mr. P. C. H. Papps issued a similar publication with some authoritative comments upon the insurance situation. His general conclusions were that shareholders, policyholders, and management, were equally interested in large profits; that the general public will not apply for insurance without the intervention of agents; that rebating was unfair and expensive to the companies though it was impossible for a single company or group of companies to stop it; that annual dividends in early years can only be paid by anticipating future profits; that competition increases the cost of conducting business. Mr. J. J. Harpell, known for his attacks upon the management of one of the Companies also issued a booklet dealing with the rights of policyholders. He declared Government supervision to be a failure in Canada; eulogized the impartial and fearless attitude in Great Britain of the British Institute of Actuaries; urged the desirability of publicity in the insurance business and its returns; described present premium rates as too high and policyholders' profits as too low; suggested a new Act with penalties for infraction, strict Government supervision, limitation of amounts available for expenses, revision of law as to lapses, and a system of arbitration as between companies and policyholders.

On Dec. 19th a large Insurance deputation waited upon the Premier and Provincial Treasurer of Quebec, headed by Mr. David Burke, President of the Canadian Life Insurance Officers' Association, and presented a Memorial asking for further consideration of the taxes (1¾ per cent.) imposed upon premiums collected from policyholders in that Province. They were declared to be wrong in principle, discriminatory in application and especially heavy at the present time. Mr. Lomer Gouin, in his reply, admitted that the taxes bore a little heavily upon the Insurance Companies and promised future revision. The 5th International Congress of Actuaries meeting at Berlin, Germany, on Sept. 15th and representing 21 countries, elected Mr. T. B. Macaulay of the Sun Life, of Montreal, Vice-President for the United States and Canada. At the annual Convention of

the National Association of Underwriters, which met at St. Louis on Oct. 23rd, Messrs. G. H. Allen and E. B. Schmidt of Montreal, W. S. Miln and W. B. Campbell of Toronto, were present representing the Canadian Life Underwriters Association in its affiliation with the United States body. They were accorded a special welcome and arrangements made for the next Convention to meet in Toronto. It may be added that the Insurance Institute of Montreal met on May 15th and re-elected Mr. S. P. Stearns, President; the Insurance Institute of Toronto met on May 8th and elected Mr. P. C. H. Papps President. In Toronto, on June 4th, a Dominion Life Underwriters Association was formed with Mr. G. H. Allen of Montreal as President and Mr. W. S. Miln, Toronto, as Secretary. It may be also said that, according to figures compiled in the succeeding year for the Montreal *Chronicle,* from returns furnished by the Companies, the following were particulars of some of the business done in 1906 by the Canadian Companies: Net premium incomes received $14,111,621, or an increase of $200,000; amount of policies, new and taken up, $63,063,545 or a decrease of nearly $4,000,000; net amount of assurance in force $422,087,084 or an increase of over $26,000,000.

Turning to Fraternal insurance the events of the year were not altogether satisfactory to the smaller Orders. The investigation of the Royal Commission indicated conditions in the Woodmen of the World (Canadian Order), the Ancient Order of Foresters, and others, which caused some criticism as to inadequacy of rates, etc. According to the *Economist* of July, the Royal Arcanum, as a result of an increase in rates, had lapses of $176,691,500 in 1905 as compared with $18,424,500 in 1904, with a total decrease of insurance in force of over $130,000,000. The National Fraternal Congress—representing the United States and Canadian Orders—met in Montreal on Aug. 25 to 28 with Mr. A. R. Talbot of Nebraska in the chair. The gathering represented 5,000,000 members and yearly payments of $60,000,000 in benefits and the feature of the meeting was an indirect victory for those in favour of higher rates. Hon. D. D. Aitken of Michigan was elected President and the chief visitors were entertained at a banquet by the Independent Order of Foresters of the Province with an elaborate speech on the Order by Dr. Oronhyatekha. On June 26th the Ancient Order of United Workmen met in Supreme Lodge at Montreal and increased rates were adopted with an interim levy upon each member to meet present indebtedness. On Sept. 17th many thousands of delegates from the Independent Order of Oddfellows met in Toronto and for some days discussed international conditions of a fraternal character.

The following table illustrates the conditions in 1905 and in

1906 of the greatest of Canadian Fraternal societies—the much-discussed Independent Order of Foresters:

OPERATIONS DURING THE YEARS 1905 AND 1906.

	1905.	1906.
Benefits Paid.		
To widows and orphans or other beneficiaries	$ 1,978,592	$ 2,183,921
For sickness and funerals	212,820	226,305
Total Benefits paid during the year	$ 2,191,412	$ 2,410,226
Total Benefits paid from inception of the Order	$18,391,897	$20,903,124
Income.		
From premiums during the year	$ 3,263,984	$ 3,417,981
From all other sources	601,850	714,435
Total Income during the year	$ 3,865,834	$ 4,132,416
Increase over previous year	164,768	266,581
Accumulated Funds.		
Amount at end of the year	$ 9,709,583	$10,874,105
Increase during the year	1,175,406	1,164,521
Amount of accumulated funds per member	41	44
Membership.		
Members admitted during the year	29,091	35,493
Average age of members admitted (years)	28·16	27·52
Total membership at December 31st	233,293	246,736
Increase during the year	7,417	13,443
Average age of total membership (years)	37·54	37·59
Assurance.		
Assurance taken by members admitted	$ 23,719,250	$ 28,699,250
Average Assurance taken per member admitted	815	808
Assurance carried, December 31st	248,801,000	258,695,000
Increase over previous year	5,915,000	9,894,000
Average Assurance carried per member	1,063	1,048
Sick and Funeral Division.		
Members in Division, December 31st	44,995	52,988
Increase during the year	306	7,993
Members admitted during the year	4,542	12,004

Appointment of the Royal Commission on Life Insurance

There were several causes leading up to the appointment of this important Commission—one of the pivotal events of the year. One was the awakening appreciation of the fact that, in Canada and the United States, the Insurance companies and Fraternal orders were receiving from the public over $300,000,000 a year. Another, and the most prominent, was the Insurance Investigation in New York, the ensuing revelations of mismanagement and irregularities, the popular agitation in the United States, the Report of the New York Committee, and the consequent legislation which met some existing weaknesses in the system. Still another, but of a local character, was the crusade of the Toronto *World* against the leading Cana-

dian companies; its especially vigorous attacks upon the Canada Life—Feb. 14th to 28th; its appeals on behalf of the "injured and outraged" policyholders; its demand for an investigation similar to that of New York.

There was natural restlessness in the financial and insurance world during the first two months of the year caused, primarily, by the matters mentioned. On Jan. 25th Mr. J. J. Harpell appeared at the annual meeting of the North American Life Company and put a number of charges before the shareholders in the form of questions as to certain investments, official statements, specific expenditures, stock holdings, etc. The President, Mr. J. L. Blaikie, answered the questions, denied all charges and carried the meeting fully with him. In this connection a letter, dated Feb. 20th, was made public, written by Sir Louis Davies of the Supreme Court of Canada. In it he expressed regret that he had joined other members of the then Government in yielding to specious arguments and in allowing the investment of Insurance moneys in stocks and bonds, through the Amendment of 1899. He was, apparently, disposed to support Mr. Harpell's attitude of inquiry, if not his direct charges as a shareholder and to fear the possibility of Insurance companies coming under the control of frenzied financiers and the impulse of dangerous speculation. "The absolute confidence which once existed amongst Canadian policyholders in their policies, as a perfectly sure investment for their families, is gone. No one knows how good the security is. Every one fears he hardly knows what. A general feeling is growing up favourable to a most rigid and strict examination of the affairs of all the Canadian companies and to an amendment of the Act restricting the investments by them of their surplus funds."

In the Provincial Legislature, on Feb. 16th, Lieut.-Colonel Hugh Clark urged that an Insurance investigation be ordered by the Ontario Government if that of the Dominion did not move in the matter. On Feb. 28th the annual meeting of the Canada Life took place and the Hon. George A. Cox, as its President and the centre of the attacks just referred to, delivered an elaborate address upon the situation. After describing the 59th Report as the best in the Company's history he declared himself ready to answer fully and frankly any questions which might be asked and proceeded to give a concise review of the position, progress, and record of the Canada Life. He referred to the yearly investigation by the Insurance Department and to the special investigation of the Michigan Commissioner of Insurance into the Company's affairs; stated that of their $1,000,000 capital 94 per cent. had been paid up in full by the shareholders; described the policy of the Board as one of strengthening the reserves; admitted the large purchase of bonds and debentures from the Dominion Securities Company of which he was President but declared that it was done under the recommendation of

MR. WILLIAM SAUNDERS, C.M.G., M.A., LL.D.
Director of Dominion Experimental Farms.
Elected President of the Royal Society of Canada, 1906.

HIS HONOUR D. B. MACTAVISH, K.C.
County Judge of Carleton.
Appointed Chairman of the Royal Insurance Commission, 1906.

the Treasurer and approval of a responsible Investment Committee of the Canada Life; presented, and later on published in the press, a detailed list of assets aggregating over $30,000,000; blamed the increase of expenses very largely to the rebate system under which, however, the assurer benefited; pointed out that in 1879 the shareholders of this Company had themselves asked, and obtained from Parliament, the provision that not more than 10 per cent. of the profits should, in future, be paid to them. He also stated that in the 59 years of its existence the Canada Life had received in premiums $52,630,923. During that period it had paid policyholders and beneficiaries $30,911,309 and credited to policyholders $29,329,365—or a total of $60,240,674.

On Feb. 28th, by Order-in-Council, the appointment of a Royal Commission of Inquiry was announced from Ottawa to be composed of His Honour Duncan Byron MacTavish, Judge of the County Court of Carleton, Mr. John W. Langmuir, Managing-Director of the Toronto General Trusts Corporation, and Mr. Ambrose L. Kent, a Montreal accountant and assignee who had made a good record in the Banque Ville Marie affair. Mr. H. T. Ross of Bridgewater, N.S., was appointed Secretary. A little later Mr. George Shepley, K.C., was selected by the Dominion Government to act as Counsel for the conduct of the inquiry, with Mr. W. N. Tilley as his junior. The Government of Ontario appointed Mr. I. F. Hellmuth, K.C., and Mr. G. R. Geary to represent the policyholders—who on March 5th had organized an Association in Toronto with Dr. H. H. Moorehouse as President. Mr. Calixte Lebeuf, K.C., was appointed by the Quebec Government to represent the policyholders of that Province and the Commission itself appointed Mr. Miles M. Dawson of New York as consulting Actuary. The objects of the Commission may be summarized as follows:

1. To inquire into the general subject and systems of Life Insurance in Canada.
2. To investigate the operations of all Canadian chartered Life Companies in matters of management, investment of funds, and allied questions.
3. To make similar inquiry into other than Dominion or Provincial chartered Insurance Companies "as far as is deemed necessary."
4. To examine the operation of the laws of Canada relating to and governing the business of Life Insurance both as regards Canadian companies and other than Canadian companies and to consider and report upon any amendments thereto which may be deemed necessary.
5. To have power as a Commission to employ expert assistance; to summon witnesses and require their testimony on oath, or in writing, or on solemn affirmation; to demand the production of "such documents and things" as may be deemed requisite to a full investigation of the matters described.

The comments of the press as to this Commission were, upon the whole, favourable, although even at this early stage some

political mutterings could be heard. The attitude of the Toronto *World* was implacably hostile—Mr. Langmuir coming in for special criticism upon the ground of alleged business association with corporate interests. It was also claimed that the instructions were not nearly as elaborate, or as full and free, as were those of the Senate and Assembly of New York, passed as a Resolution to its Special Committee on July 20, 1905. In the House of Commons on March 8th Mr. W. F. Maclean claimed that the Government had infringed upon the rights of Parliament in naming such a Commission. On March 20th Mr. Shepley announced that a series of questions had been prepared for submission to each of the Insurance companies. They included most elaborate and thorough inquiries as to organization, administration, premiums, expenses of obtaining and retaining insurance, nature and description of policies, surrender values, plans and other methods of operation, matters of re-insurance, the part taken by policyholders in management, salaries, commissions, rebates, etc. Later on, Mr. Hellmuth, as representing the policyholders, was given the right to examine witnesses. So much for the appointment and powers of the Commission. British and American Companies were not directly investigated but much aid was obtained from them in matters pertaining to the inquiry. The following gives the principal official facts for 1905 as to the Companies examined by the Commission:

Name.	Year of Incorporation.	Capital Authorized.	Capital Paid up.	No. of Policies in Force.
Canada Life	1849	$1,000,000	$1,000,000	51,304
Sun Life	1865	1,000,000	105,000	74,441
Mutual Life of Canada	1869	Nil	Nil	29,788
Confederation Life	1871	1,000,000	100,000	28,368
Federal Life	1874	1,000,000	130,000	12,070
London Life	1874	1,250,000	50,000	60,402
North American Life	1879	300,000	60,000	26,142
Manufacturers Life	1887	3,000,000	300,000	30,395
Dominion Life	1889	1,000,000	100,000	4,573
Excelsior Life	1889	500,000	75,000	8,124
Home Life	1890	1,000,000	216,980	5,070
Great West	1891	1,000,000	250,000	16,468
Northern Life	1894	1,000,000	213,650	3,898
Imperial Life	1896	1,000,000	450,000	10,985
National Life	1897	1,000,000	199,860	3,262
Royal Victoria	1897	1,000,000	200,000	3.445
Continental Life	1899	1,500,000	180,255	3,847
Crown Life	1900	1,000,000	129,465	2,199
Central Life	1901	1,000,000	75,100	579
Sovereign Life	1902	1,000,000	225,595	938
Union Life	1902	1,000,000	100,000	42,779
Commercial Travellers	1882	Nil	Nil	1,878
I. O. F.	1889	Nil	Nil	233,293
C. M. B. A.	1890	Nil	Nil	19,750
Canadian Order of the Woodmen of the World	1893	Nil	Nil	10,438
Ancient Order of Foresters	1889	Nil	Nil	1,163

Name.	Amount in Force.	Surplus on Policyholders' Account.	Premium for Year.	Net Re-Insurance Reserve.
Canada Life	$106,322,909	$1,393,403	$4,104,594	$28,505,936
Sun Life	95,250,512	1,840,698	4,301,022	19,100,198
Mutual Life of Canada	43,937,288	952,001	1,547,506	8,210,064
Confederation Life	42,278,455	800,499	1,380,053	10,140,198
Federal Life	16,850,136	223,749	572,220	2,170,425
London Life	9,113,000	111,148	384,142	1,692,755
North American Life	36,933,106	630,010	1,354,607	6,210,338
Manufacturers Life	41,710,314	902,758	1,645,385	6,200,932
Dominion Life	6,184,089	179,382	194,990	869,226
Excelsior Life	8,614,522	105,551	263,083	880,393
Home Life	6,102,517	148,779	164,985	602,019
Great West	23,694,352	612,213	791,403	2,467,842
Northern Life	4,597,488	191,923	151,440	393,663
Imperial Life	17,988,123	650,621	680,798	2,064,099
National Life	4,823,960	163,508	157,717	395,050
Royal Victoria	4,403,837	44,732	138,591	440,241
Continental Life	4,401,935	117,222	143,958	347,788
Crown Life	3,460,744	19,758	135,932	232,044
Central Life	576,450	38,394	18,721	31,303
Sovereign Life	1,878,903	222,878	80,632	136,068
Union Life	7,095,526	112,041	167,241	108,907
Commercial Travellers	1,876,000	Nil	30,190	Nil
I. O. F.	248,801,000	Nil	3,003,682	Nil
C. M. B. A.	26,393,500	Nil	336,601	Nil
Canadian Order of the Woodmen of the World	11,499,000	Nil	107,091	Nil
Ancient Order of Foresters	1,048,882	Nil	23,464	72,670

The Royal Insurance Commission and the Public

The policy and record of the Commission, as distinct from the actual questions and answers passing between its members, its Counsel, and the Companies, were most important. The policy developed into a full investigation, as time passed on, of every interest and concern coming within the powers of the Commissioners and of some which were claimed to greatly exceed them; the record was one of close and keen investigation with ensuing charges of partisanship which became inevitable as soon as a Government Department or political leaders came within the scope of inquiry. One strong criticism there was and its basis found expression in the *Financial Chronicle* of Montreal, on April 13, as follows: "We trust the Commissioners will recognize the reasonableness of our protest against mere scraps of evidence reflecting upon some Company being heard and allowed to be spread broadcast in all its crudeness and unfairness, without an opportunity being promptly given to such Company to give whatever explanations or information would be required to state its position justly. The public mind has been so excited by sensation mongers that people are ready to give credence to any innuendo or charge disparaging to the management of a Life insurance company. Under such baneful influences some policyholders have allowed their policies to lapse, or accepted their surrender value, or sold them for a nominal sum."

At the same time it is difficult to see how the Commission could have entirely eliminated a condition which, after all, was largely

a matter of newspaper method or practice. Protests were made against the sudden change from Ottawa to Toronto as leaving the investigation of the Insurance Department only half completed. It was understood to have been done at Mr. Shepley's request and Judge MacTavish ruled that there was no good reason for interference with the prosecuting Counsel. Mr. Hellmuth of Ontario objected; Mr. Lebeuf of Quebec was satisfied; and the political element at once came in. The latter condition was perhaps a good reason for getting away from the capital; another was the right of the Insurance companies to examination at their own headquarters. The general subject was debated in the Commons, on May 28, when Mr. W. F. Maclean urged the appointment of a special Committee of the House to investigate Life insurance and attacked the existing Commission as tardy in operation and restricted in scope. The Minister of Finance replied at length, and deprecated such popular panic as had been shown in the United States; declared the Canadian system of Life insurance to be quite sound and urged the public not to let their policies lapse, described the Commission as well chosen and reliable, and defended the Insurance Department against what he thought unjust criticism. The Maclean motion was lost without division.

During its sittings, various deputations waited upon the Commission—especially toward the close of the investigation. On Nov. 8th representatives from Montreal, Toronto, Ottawa and Sherbrooke of the Life Underwriters' Association of Canada were in attendance and presented an elaborate Memorial which was stated to embody the views of every important Insurance centre in the Dominion and to include in its endorsers all kinds of Companies and interests connected with the general question of Life insurance and the $637,000,000 then carried by the people of Canada. Their lengthy recommendations and opinions may be summarized briefly as follows: (1) that rebating should be prohibited and penalized by both Dominion and Provincial legislation; (2) that stock schemes and "fake" plans for inducing the public to buy Insurance should be prohibited; (3) that present rates only yielded a moderate remuneration to the agent who was so essential to the success of the business; (4) that the limitation of expenses would discriminate against Canadian companies and especially young and small concerns and would check present growth; (5) that estimates of profit were as necessary in Insurance canvassing as in the prospectus of any business concern; (6) that legislation against deferred dividend policies was in restriction of trade and in opposition to the popular wish; that any restriction of investments reduced earning powers, lessened profits and increased the ultimate cost of Insurance and that Great Britain imposed none; (7) that limiting companies to standard policies would check invention, progress and liberality toward the assured; (8) that it would be very unwise to imitate, in haste, the experimental, crude and uncertain provisions of the recent New York legislation in regard to Insurance.

On Nov. 12th, the Canadian Life Insurance Officers' Association presented to the Commission a series of elaborate recommendations, including the widening of powers of investment in Canadian Insurance companies; the stating on each policy of non-forfeiture and surrender regulations; the providing in Government returns of greater detail regarding income, expenditure, assets, and liabilities; a better provision for the amalgamation of Companies or transfer of their business. Attention was also called to the increased cost of Life insurance owing to Provincial and Municipal licenses and taxes. On the following day the policyholders had their innings as represented by Mr. William Robins of Walkerville, Vice-President, and Mr. W. Christie of Toronto, Secretary, of the Policyholders Protective Association of Canada. They asked, in a verbal form, for representation of policyholders on the Directorate of Insurance companies; Government custody of securities and standardization of policies; guarantee of stability before granting charters to new concerns; limitation of Insurance dividends; prohibition of watering stock and issuing bonus stock, rebating premiums, or canvassing for proxies; the granting of wider powers of investment; publicity in newspapers and blue-books; full conditions to be plainly stated on face of policy; better Government inspection and audit of books; approval of shareholders before increase in capitalization. These and other principles were embodied in a Memorial of requirements or reforms passed and requested by the Association on Nov. 20th and of which the following is a brief abstract:

1. For a restriction of the numerous policies now issued by Companies, and that the wording be made simpler.
2. That notes in payment of premiums be not accepted.
3. That expenses should be limited to loading on premiums.
4. That all investments be fully reported to the Superintendent of Insurance, and that they be published monthly.
5. That policyholders have representation on every Board and that proxies be prohibited.
6. That all policies should participate in the profits earned and dividends to shareholders should be restricted to an equitable return on investment.
7. That the Superintendent of Insurance should determine the liability of a Company under its contract with its policyholders.
8. That canvassing for applications on estimates be not allowed and that every Company should be compelled to employ a qualified actuary.
9. That the capital of a Company be not increased without the consent of a majority of the policyholders, who shall also be free to determine as to mutualization.
10. That in contracting with officials of Companies no commission or bonus on future business shall be included.
11. That a State Department of Insurance be created, and greater detail be given in the publication of annual reports.

On Nov. 22nd Mr. Fitzgerald, Superintendent of Insurance, appeared before the Commission, sitting at Ottawa, and discussed these various suggestions as to amended legislation. He approved the specification of terms of forfeiture upon all policies; fav-

oured leaving considerable power in investments to the Boards of Directors; doubted the advisability of publishing a loss and gain exhibit; opposed, strongly, the publication of estimated profits; disapproved the standard policy proposals; approved the idea of an accounting by the Companies but thought its publication would involve expense; admitted that all Companies should value their reserves upon the Government standard for Government returns; declared that the Act should be amended so as to give him power to cancel a license for other reasons than insolvency; thought wider powers of investment should be given the Companies and asked for greater general powers of control for himself.

Summarized Record of the Insurance Investigation

A public inquiry into the detailed business and financial interests of Companies acting as trustees for nearly $400,000,000 of the people's money, or money expectations, and handling immense sums for yearly investment and profit could not but create a great stirring of dry bones—a cloud of dust in various circles which whirled around, settled down through the assistance of the press, and was brushed off or not as the case might be. All kinds of persons were involved in matters of evidence or discussion—politicians, officials, lawyers, financiers and even Judges. Some injustice was done and some reputations were improperly flecked with dust for a time; and it may be feared that the public conscience was not altogether benefited by the wholesale allegations of mis-dealing in what was called "high finance." Especially prominent were certain stock investments which were apparently illegal but which the Companies contended at the time to be legitimate and the alleged connection of the Independent Order of Foresters with various investments and speculations carried on by the Hon. George E. Foster and the subsidiary concern of which he was General-Manager—the Union Trust Company. Before proceeding to a chronological record of the inquiry it may be said at once, and in anticipation of the official Report, that no Insurance Company and, therefore, no policyholder appears to have actually lost money in the transactions dealt with; that in most of the cases there was a standing complaint against the law and the Department at Ottawa of too limited rights in the scope of investment and of doubt, at times, as to what was legal and what was not; that where any loss took place through a perhaps over-anxious desire to make money for the Companies the Directors personally assumed the liabilities. The record of the investigation was as follows:

Mar. 7.—Royal Commission opened its proceedings and Judge MacTavish as Chairman explained the scope of the inquiry and the responsibility resting upon the Commissioners.

Mar. 14.—Mr. William Fitzgerald, Dominion Superintendent of Insurance since 1885, was first examined and stated that the Government inspection afforded no means of detecting falsification in books; that the bond registers of the Companies did not show from

whom the bonds were bought; that when securities were sold he did not ascertain how prices compared with valuation in the Company's assets.

Mar. 15.—Mr. Fitzgerald testified that there was no legal provision for punishing Companies which bought forbidden stocks; that upon the whole he considered his work to be a testing of the solvency of the Companies; that the present Act did not give him power enough in getting information; that he did not believe in assessment Companies.

Mar. 15.—Mr. A. K. Blackadar, Actuary to the Department of Insurance, was examined after some protest against the temporary relief given Mr. Fitzgerald. He stated that the Insurance blue-books frequently contained errors; that the staff of the Department was insufficient; that the reports of the Companies' auditors were accepted as correct; that the market value of stocks held was not checked with the cost price; that in some years certain Companies had not been examined, or only partially so.

Mar. 20, 21.—Mr. Blackadar submitted statements as to unauthorized investments by some of the Companies and dealt with certain matters in connection with the Royal-Victoria, the Central Life, the Manufacturers Life, the Home Life, the North American and the Sun Life. For the last-mentioned Company Mr. T. B. Macaulay presented a statement. A Memorandum of the 1898 business of the I. O. F. was also submitted.

Mar. 22.—Mr. Fitzgerald was again under examination and produced correspondence with the North American Life, the Sun Life and the Royal-Victoria, regarding an alleged excess in Foreign investments—such as Mexican Light and Power. He held that no authority rested in him as Superintendent to enforce the Department's will in the cases of Companies violating the Act and doubted his right to refuse renewal of a license because of such action. Canada Life affairs, and some transactions of the Manufacturers Life with Pellatt & Pellatt, were gone into by the Superintendent. A loss of $98,000 in the Manufacturers stock dealings had, it appeared, been assumed by the Directors.

Mar. 23.—Mr. Fitzgerald testified further as to the Companies' investments in foreign securities and in unauthorized home ones—United States traction companies, Dominion Iron and Steel, General Electric, etc. Correspondence was read with many of the Insurance Managers and he stated that a suggestion had been made by himself as to increasing the margin it was allowed to them to invest in foreign securities. His proposed amendments to the Insurance Act were carefully gone into.

Mar. 28.—Elaborate letters written by Mr. T. B. Macaulay, of the Sun Life, regarding the legality and advantages of his investments in Mexican securities and giving his objections to the proposed change in the basis of reserve from 4½ to 3½ per cent. were read. Evidence was produced to show that the insufficient staff in the Insurance Branch had been reported upon to both the Superintendent and the Minister of Finance. Imperial Life investments were discussed and it was stated that its Directors had made good a $10,000 loss on Dominion Coal and Dominion Steel.

Mar. 29.—The Union Life of Toronto was dealt with by Mr. Fitzgerald and especially its promotion by the National Agency Company. The Royal-Victoria denied the investment at any time of a dollar in any foreign securities. Holdings of other Companies in foreign securities were further dealt with; also questions connected with the impairment of capital by Insurance Companies; and certain matters connected with the Home Life.

Mar. 30.—Mr. Fitzgerald finished his evidence and explanations—dealing with the affairs of the Central Life, the Home Life and the Manufacturers Life.

April 25-27, May 1, 2.—After the Easter adjournment the Commission met in Toronto and Mr. J. F. Junkin of the Manufacturers Life was examined at length. The one-time relations of Senator Cox and Mr. George Gooderham to the Company ; the more recent relations of Mackenzie and Mann with its Directorate ; the connection of Sir H. M. Pellatt as broker and Director with the Company ; his stock arrangements and personal payment of one loss of $79,000 ; the dealings of the Company in Mexican Light, Dominion Coal, Electrical Development, Crow's Nest, Commercial Cable, Canadian Pacific Railway, and other stocks ; the evils of rebating and the conduct of general Call loans ; the formation of holding companies, losses, lapses and interest, and the ratio of premiums to expenses ; were some of the subjects dealt with.

May 2-4.—Mr. P. C. H. Papps of the Manufacturers Life was next examined upon actuarial matters and stated that in his experience estimates as to profits were never realized ; that the question of expense had not played as important a part in the decrease of profits as was now supposed ; that in his opinion the abstainer lived longer than the non-abstainer ; that a large percentage of lapses occurred after the payment of the one premium ; that good commissions to agents were absolutely necessary to obtain new business with.

May 4.—The book-keeper for Pellatt & Pellatt was examined and Mr. Junkin again called in the matter of stock investments. The affairs of the Manufacturers Life were exhausted after an inquiry touching every side and phase of modern Life Insurance.

May 7-11.—The Union Life was investigated with Messrs. H. Pollman Evans, W. H. Carrie, H. Symons, K.C., and C. H. Harvey as the witnesses.

May 21-23.—The North American Life was investigated with Messrs. Leopold Goldman and D. E. Kilgour as the witnesses.

May 23-25.—Mr. A. J. Ralston, Managing Director of the National Life, examined. Mr. Symons of the Union Life again heard.

May 28, 30.—The Confederation Life was examined with Mr. J. K. Macdonald as first witness regarding call loans made on various unauthorized stocks. He denounced the Insurance Act in this respect as hampering the Companies and defended the Superintendent from much "undeserved criticism." Lieut.-Col. W. C. Macdonald testified along actuarial lines and in respect to cost of insurance, estimated profits, the fixing of reserves, and losses by mortgage investments. Companies could not stop rebates while alien competition continued. Government insurance, he considered impracticable, and greater freedom in investments essential.

May 30, 31, June 1-5.—The investigation into the affairs of the Canada Life continued with a long, frank and explicit statement from its President—Senator George A. Cox—as to his personal experiences in Life insurance; his connection with this Company and rise from being one of its agents to practical control of its policy and operations ; his struggles with opposing interests ; his 44 years of life-work in developing its position ; his relations with other subsidiary companies such as the Central Canada Loan and the Dominion Securities Co.—which he frankly stated had dealt largely in loans and investments for the Canada Life ; his freely-admitted organization of the Imperial Life for his son, Mr. F. G. Cox ; the inter-connection of his Life Company and other concerns owned or controlled by himself, or in which he held a large interest—the Toronto Loan and Savings Company, the National Trust Company, the Canadian General Electric Company, the Electrical Development Co., the Dominion Coal and Steel Companies. He denounced rebat-

ing as a serious evil and asked for legal punishment; he declared that the competition of United States companies and the springing up of small Canadian concerns had increased commissions and, therefore, expenses. Other matters were dealt with, such as the salaries of his two sons, H. C. and E. W. Cox; the purchase of Dominion Coal stock with a view to strengthening the market; the relations of the Ames Company with the Canada Life.

June 6, 7.—Mr. Frank Sanderson examined as to actuarial questions of interest and reserve in the Company and the cost of obtaining and retaining its large volume of yearly business.

June 8-12.—Evidence along the same lines was given the Commission by Mr. Thomas Bradshaw, Actuary of the Imperial Life, and also evidence regarding the relations of Senator Cox and Mr. A. E. Ames with that Company. The former on one occasion had paid losses of $11,000 out of his own pocket because he had suggested an investment in Dominion Coal and Steel stocks. Mr. Bradshaw favoured a limitation of new business in order to check growth of expense. To stop rebating the law should penalize the agent, the Company, and the assured.

June 14.—The Canadian Life Insurance Officers' Association was examined through its Secretary, Mr. Thomas Bradshaw. He stated that 19 British and Canadian Life Companies were in the Association; that its objects were consultation, co-operation, uniformity and the watching of legislation; that the names of all rejected candidates for insurance were kept. He presented a statement showing the taxation upon life companies in different Provinces. Quebec was shown to have the highest rate of taxation, and the Provincial tax to be 1¾ per cent. of the gross receipts of the Companies in the Province. Quebec City, Montreal and Sherbrooke also imposed their own business tax. The witness expressed the opinion that these taxes were too high.

June 20, 21.—The Excelsior Life was examined through Messrs. Edwin Marshall and David Fasken. The former testified that new business cost in the first year 50 per cent. more than the premiums.

June 21.—The Crown Life was examined through Mr. C. J. Hughes, Manager and Actuary. The salary paid Sir Charles Tupper, as President up to 1905, was described in a way which evoked from England the following explanation: "I received in all from June 1, 1901, to Dec. 20, 1904, $6,991.61, and I subscribed for $10,000 stock on which I have paid $3,125 at 25 per cent. premium, for which I have received nothing."

June 22-25.—Examination of the Continental Life through Mr. G. B. Woods and Mr. G. T. Somers, and statements made that new business cost 120 per cent. and continued business about $35 for $1,000. Heavy losses through the Atlas Loan failure were dealt with in this examination.

June 26, 27.—Examination of the Sovereign Life through Mr. A. H. Hoover who appeared to have practical control of the Company; and Mr. W. H. Gould.

June 28.—The Royal Commission opened in London, Ont., and heard the evidence of Mr. J. G. Richter, Managing-Director of the London Life. "As a rule," he said, "the smaller the premium the greater the mortality." The industrial branch of this concern had paid since its third year and had not cost much to establish. The management of the London Life, as shown during the investigation, evoked warm and special praise from the press.

June 28, 29.—The Northern Life was examined with T. H. Purdom, K.C., President of the Company, as the witness. He wanted the

English "open door" policy as regarded investments. The Woodmen of the World was also inquired into.

July 8.—In Toronto again on this date the Ancient Order of Foresters was investigated. Mr. W. Williams, the Secretary, stated that the assessment plan had been found unsatisfactory and abandoned. The ordinary receipt rate was about $600 to every $1,000 of insurance.

July 10.—The Central Life investigated through the evidence of Mr. J. M. Spence, Managing-Director, who had complete control of the Company, by the holding of over 1,700 proxies. Mr. Thomas Crawford, M.L.A., was also examined.

July 11.—The Dominion Life examined through Mr. Thomas Hilliard, President and Manager.

July 12.—The Mutual Life Assurance Company of Canada examined at Waterloo. Mr. Robert Melvin, President, testified at length and Mr. George Wegenast, Manager. The latter did not believe in popular control but in continuity of management; thought that Insurance companies should not be allowed to invest in stocks at all; asked that his Company be permitted to extend its investments to United States municipal and public service bonds; stated that their commissions on first-year premiums were 70 per cent. and on renewals 8 per cent.

July 13-16.—The Commission sat in Hamilton and examined the Federal Life. Mr. David Dexter, President and Manager, was the witness. A heavy lapsed business was ascribed to the severe pressure at which business was written and to the rebate evil. Death losses had been very small.

July 16.—The Commercial Travellers Mutual Benefit Society investigated with Mr. Jos. Taylor, President, as the witness. He admitted that the rates should be increased or the membership re-arranged. The Treasurer, Mr. E. Fielding, thought the rates were sufficient.

July 17.—Mr. Michael F. Hackett, Grand President of the Catholic Mutual Benefit Association, appeared before the Commission and testified as to three funds in the Order—the Beneficiary, the Reserve, and the General. The last one was used for expenses. He thought the rates quite high enough, though at certain ages the Ontario Government's fixed minimum rates were nearly twice as much. Mr. J. J. Behan, Secretary, was also examined and thought fraternal Associations safe and solid while new blood kept coming in.

July 24, 25.—The Commission met at Winnipeg and examined the affairs of the Great West Life—Mr. J. H. Brock, Managing-Director, being the witness. Mr. Brock stated that the average profit on the Company's investments was 7½ per cent. Their investments were chiefly in real estate, and their loans had been exclusively in Western Canada. Up to the end of 1905 they had no foreign business. Since then, however, they had invested in North Dakota. When the Directors came into the Company they were each insured, and they paid the premiums in full; officials did the same. He was opposed to Insurance Companies buying stocks. It took three or four years for a policy to get on a profitable basis. Some attention was devoted to a recent bonus of $10,000 given to Mr. Brock.

Sept. 4-6.—After several weeks' intermission the Commission met in Toronto and examined the Monarch Life of which Mr. T. Marshall Ostrom was promoter, Manager and Director. He gave evidence as to his connection in various peculiar ways with the Company. The Hon. Robert Rogers, a Winnipeg Director of the Company, testified as to an alleged transfer of stock to the Manager without authorization. Mr. T. H. Graham and Mr. D. A. Gordon, President, were also examined.

Sept. 6, 7, 11-14.—The Home Life was investigated and evidence given regarding its absorption of the People's Life Company. Mr. J. K. McCutcheon, Manager, was the first witness and was succeeded by Hon. J. R. Stratton, President. After the transfer of the People's Life business $900,000 of lapsed policies had been found which had not been written off. A payment of $80,000 to Mr. A. J. Pattison, late Manager of the Home Life, as a commutation of his salary contract, was gone into and the amalgamation of the two Companies thoroughly sifted. The Directors were also examined.

Sept. 13.—The affairs of the Independent Order of Foresters were investigated in Toronto and Dr. Oronhyatekha, Supreme Chief Ranger, examined.

Sept. 14-24.—I O. F. affairs—Dr. Oronhyatekha's examination continued.

Sept. 24.—I. O. F. affairs—Mr. Elliott G. Stevenson, Supreme Councillor of the Order, testifies as to Union Trust Company investments.

Sept. 24, 25.—I. O. F. affairs—Hon. George E. Foster, formerly Managing-Director of the Union Trust Company, testified as to the Western land dealings of that concern under his direction.

Sept. 26.—I. O. F. affairs—Mr. E. G. Stevenson again examined. Sir John Boyd, Chancellor of Ontario, and Director of the Union Trust Company also gave evidence. Messrs. R. C. Levisconte and Peter Ryan testified as to the Union Trust Company and its British Columbia timber limits transaction.

Sept. 27.—Woodmen of the World again inquired into.

Sept. 28.—The transfer of the business of Joseph Phillips' concern, the Toronto Life, to the Union Life was examined. Mr. H. Symons, K.C., of the latter Company was heard.

Oct. 1.—I. O. F. affairs—Mr. A. A. Lefurgey, M.P., examined as to the land dealings of the Union Trust Company. Mr. W. P. Bull also testified.

Oct. 2-4.—I. O. F. affairs—Mr. J. M. McWhinney was examined. Hon. George E. Foster, M.P., and Mr. Peter Ryan made statements as to their connection with the British Columbia land and timber transactions of the Union Trust Co. Mr. Foster examined as to other matters.

Oct. 5.—I. O. F. affairs—Lieut.-Colonel John I. Davidson, a Director of the Union Trust Company, examined. Mr. George P. Scholfield, General-Manager of the Standard Bank, also examined and a statement as to his connection with the Union Trust and the I. O. F. submitted by Mr. Matthew Wilson, K.C.

Oct. 9, 10.—I. O. F. affairs—Hon. G. W. Ross briefly examined and Hon. G. E. Foster again called to the stand. The latter presented an elaborate defence of his business motives, actions and policy in connection with the I. O. F., the Union Trust Company and their subsidiary interests.

Oct. 11.—I. O. F. affairs—Mr. M. Wilson, K.C., of Chatham examined at length.

Oct. 12.—I. O. F. affairs—Examination of Mr. G. W. Fowler, M.P., and some brief testimony from Mr. E. E. A. DuVernet.

Oct 15-25.—The Royal Commission met in Montreal and examined Mr. Robertson Macaulay, President of the Sun Life—a Company whose business field included the United States, Great Britain, Japan, India, France and 15 other countries. Mr. T. B. Macaulay, General-Manager and Actuary, gave lengthy evidence as to writing down securities, dealings in various bonds, increase in capital stock, and profits paid to shareholders. He strongly defended the position of the latter who risked their money at first, took heavy responsibilities, and deserved good profits when success came. The policy of the Company in financing, profitably, an electric railway combination in the State of Illinois was investigated. The question of profits and deferred divi-

dends was discussed at length. It also appeared that Sun Life investments in Ohio Traction Companies had not been as successful as in those of Illinois. Since the lessening of United States competition, owing to the New York investigations, this Company had been able to lower its commissions.

Oct. 26.—The affairs of the Royal-Victoria Life were examined and Mr. David Burke, Managing-Director, told of a young Company's fight for business and success. Investments were gone into upon call loans and stocks which had usually been profitable.

Nov. 5.—I. O. F. affairs—At Ottawa Messrs. H. W. Whitla and A. W Pritchard were examined by the Commission as to the alleged connection of Mr. Premier Roblin with the Western land purchases of the Union Trust Company and Mr. Foster. Mr. J. W. Bettes of the Ontario, Manitoba and Western Land Co. testified.

Nov. 6.—I. O. F. affairs—Evidence of Mr. F. T. Griffin, Canadian Pacific Railway Land Commissioner at Winnipeg, taken as to Western Lands, the Union Trust Company and the relation of the Canadian Pacific to those transactions.

Nov. 7.—I. O. F. affairs—Messrs. E. G. Stevenson, Supreme Councillor and G. W. Fowler, M.P., again examined as to British Columbia timber transactions and the Union Trust.

Nov. 8.—Mr. W. S. Miln of the Life Underwriters' Association examined.

Nov. 12, 13.—I. O. F. affairs—Hon. R. P. Roblin and Hon. C. H. Campbell of Winnipeg appeared before the Commission at Ottawa and denied the chief points of the Pritchard narrative. Mr. Pritchard was said to have been dismissed from the Manitoba Civil Service. The Life Insurance Officers' and Policy-Holders' Associations also heard.

Nov. 21.—At Ottawa an actuarial statement regarding the Canadian Order Woodmen of the World, was presented to the Commission and Mr. C. C. Hodgins, of the Order, declared that "the fraternal societies should be placed on the same basis as regards rates, and no Order should be allowed to accept insurance risks at any lower figures."

Nov. 22.—Mr. Fitzgerald, Superintendent of Insurance at Ottawa, again examined.

Nov. 23.—I. O. F. affairs—Mr. Milton D. Grant of the Insurance Department examined as to the nature of fraternal insurance in general and the I. O. F. in particular.

Nov. 24.—Mr. Alfred McDougald of the British Empire Assurance Co., Montreal, examined as to comparative Insurance conditions in Canada and elsewhere.

The I.O.F. before the Royal Commission

The Independent Order of Foresters was one of the central points of interest in the investigation and it held that position not only because of its aggressive and successful methods of acquiring business, its accumulation of funds and remarkable distribution of benefits, its large expenditure and picturesque management by Dr. Oronhyatekha; but because of the close connection of its investment agency—the Union Trust Company—with large schemes of speculation in land, stocks and industrial projects which, however, had turned out profitably for the Order. The investigation of the Foresters before the Commission was a very prolonged one and, in the press, a very sensational one. No similar interest was apparently taken by the newspapers, or the public, in the inquiry as to the relations of Senator Cox and the Canada Life with subsidiary concerns, such as the Central

Canada Loan Company; probably because no public men were openly involved and there was no party capital to be made out of the exploitation of evidence. Senator Cox's very great frankness also disarmed criticism and moderated attack.

The exact position of the Foresters and the Trust Company toward each other must be briefly indicated here in order to a full understanding of what followed. The funds of the I. O. F. available for investment amounted to several millions. They were—subject to the Insurance Act—under the absolute control of the Supreme Council of that body composed of Dr. Oronhyatekha, E. G. Stevenson, J. A. McGillivray, K.C., H. A. Collins, Judge Wedderburn of St. John, Dr. Thomas Millman, Victor Morin and A. D. Clark. Under the terms of the Insurance Act the Supreme Court could legally invest in real estate and mortgages of all kinds and, amongst other things, in the stock of Loan and Trust companies. In 1900, when it was decided to establish or acquire a Trust company, they were making about an average of 5 per cent. upon their investments. They eventually secured the Provincial Trust Corporation, re-organized it under a new charter as the Union Trust Company with $2,000,000 capital of which one-half was paid up.

Later on this capital, all paid up and practically all Foresters' money, was increased to $2,500,000 with Dr. Oronhyatekha, J. A. McGillivray and E. G. Stevenson representing the Foresters upon its Board of Directors; the late Judge McDougall, Lieut.-Colonel John I. Davidson, Matthew Wilson, K.C., of Chatham and Hon. Geo. E. Foster being the other members; with Hon. G. W. Ross and Chancellor Sir John Boyd afterwards added. Under the Hon. G. E. Foster's management the Union Trust therefore started operations with at first $1,000,000 and later on $2,500,000 of paid-up capital stock to invest—Foresters' money, it is true, but not in any legal sense trust money—nor was Mr. Foster personally interested in the Foresters. He was in business control of this capital, however—subject to approval of his Directors which seems to have always been accorded—and it was this money which he, in part, invested both legally and profitably in the land, timber and other interests dealt with before the Commission. There was another arrangement under which Mr. Foster, or the Union Trust Company, by special written contract with the I. O. F. engaged to invest its surplus funds. These, the Manager afterwards claimed, were all invested in accordance with the Insurance Act.

Criticisms of the Commission were made, then and after, of which many were unjust; others were made of the leading men in the I. O. F. investigation which most certainly were unfair and could hardly bear other than a party construction. One political organ described Mr. Shepley's able prosecution of the inquiry as a "fishing expedition" to injure Conservative leaders; others fiercely attacked Mr. Foster as guilty of various

financial sins; another drew attention to the fact that with all the powers of a Court in its examination yet the witnesses before the Commission had to answer questions without the aid of Counsel or the right of cross-examination for their own defence. It is impossible within a limited space to give the details of the I. O. F. and Union Trust Company affair. A few of the points raised, investigated, or discussed, in this part of the inquiry may be specified briefly:

1. That the I. O. F. received Government recognition and practised assessment insurance without a reserve ; although holding a large surplus and power to order extra assessments if required.

2. That the attempt to extend business outside of the continent had proved costly, and that this expansion policy was greatly moderated in 1906.

3. That control of the Union Trust Company was acquired in 1900 for the purpose of having a medium through which the existing investments of the I. O. F. might be managed more safely and economically ; and future investments be made more freely and profitably.

4. That in 1902 Dr. Montague, the Deputy Supreme Chief Ranger, saw profitable possibilities in Western lands and arranged with Dr. Oronhyatekha and Hon. G. E. Foster to join him in certain investments to be made by the Union Trust Company through a subsidiary syndicate. Some of the lands were bought from Companies with which the Premier and Attorney-General of Manitoba were connected and it was charged though not proved that Messrs. Foster and Campbell received commissions out of the sales. The transactions in the end proved extremely profitable to the Union Trust Company.

5. In 1903 a syndicate composed of Messrs. R. H. Pope, G. W. Fowler, M.P., W. H. Bennett, M.P., and A. A. Lefurgey, M.P., negotiated with and obtained from the Canadian Pacific Railway a large block of Western lands. Eventually, after negotiations in other directions, the Union Trust Company was brought into the financing of the affair through a subsidiary company—the New Ontario Company, afterwards the Great West Land Company—in which Dr. Oronhyatekha, Sir John Boyd, Hon. R. Rogers, M. Wilson, K.C., and others were shareholders. Various changes in stock, transfers and sales of land took place with some division of profits amongst Messrs. Pope, Fowler, Foster, Wilson and J. A. McGillivray of the I. O. F. Then a change of policy occurred—instigated by Mr. E. G. Stevenson of the Foresters, and resulting in a gradual reduction of these investments. Large profits seem also to have accrued to the Union Trust Company from these transactions.

6. During 1903 another proposition was brought before the Union Trust by Messrs. G. W. Fowler, William Irwin and George McCormick for the joint acquisition of certain timber limits and mill property in British Columbia through a subsidiary concern called the Kamloops Lumber Company and, later on, another called the Okanagan Lumber Company and one called the Shuswap Shingle and Lumber Company. The latter concern brought Mr. Peter Ryan into the matter through a commission said to be due to him in arranging its transfer. Various changes in the property and its accretions took place and finally the Union Trust Company sold out its interests at a profit.

7. On April 9, 1906, the Executive of the I. O. F. decided by Resolution to part with the whole or a controlling interest in the stock of the Union Trust Company—largely because of United States laws as to subsidiary companies. Mr. M. Wilson, K.C., was employed to negotiate the sale and allegations were made though not proven, of a commission being asked from the purchaser. On May 3rd Mr. E. E. A. DuVernet acquired 15,000 shares of the Trust Company for $1,650,000—payable $500,000 in cash and the balance in installments. Meantime 14,750 shares were to remain with

the Foresters for security and releasement as payments were made ; Mr. DuVernet and his associates were to receive the dividends and the I. O. F. retain the voting power. Other conditions remained as before and the Hon. G. W. Ross and Mr. E. G. Stevenson were appointed to represent the I. O. F. on the Board.

Such is a summary of the conditions indicated in the investigation. Charges, insinuations, denials, legal proceedings, questions of financial morality, technical matters of high finance, theoretical or legal aspects of certain investments, cannot be dealt with here. So far as the Foresters and the Trust Company were concerned money was made and none lost. As a result of the decision to withdraw from control—nominally at any rate—of the Union Trust Company changes were made in its management during the year. Dr. Oronhyatekha and Lieut.-Colonel J. A. McGillivray, Supreme Secretary of the I. O. F., retired from the Directorate and a little later Colonel McGillivray, through ill-health, resigned his Secretaryship of the Order. On Oct. 8th Mr. Robert Mathison, M.A., Superintendent of the Institute for the Education of the Deaf and Dumb, at Belleville, retired from that position to accept the post of Supreme Secretary in the I. O. F. and on the 13th was tendered a farewell banquet in that city.

Some notable incidents of the inquiry must be mentioned before leaving the subject. Dr. Oronhyatekha's examination evoked a most able statement of the affairs of the Order as well as varied arguments and statistics in favour of fraternal assurance. "The safety clause (authorizing special assessments) will," he declared on Sept. 13th, "enable us to pay claims down to the end of time." On another occasion he said there was no visible chance of such an assessment ever being necessary. "We have money to burn and we burn it—for the good of the Order." It also appeared that as Supreme Chief Ranger he twice refused an increase of salary before accepting one in 1905. He claimed that the latest British standard rates were lower than those of the Canadian Government; that the Foresters did not have to pay percentages as renewal charges nor dividends to shareholders; that the gains due to lapses were used to help pay the benefits instead of paying expenses; that no "rebates" were necessary, or given, and that suicide cases were not paid by the I. O. F. in full; that in the past five years there had been 3,704 fewer deaths in the Order than were expected by the Government standards and that the surplus funds of the Order were steadily increasing. An interesting point was the expression of a strong belief that in case of the "safety" clause or call becoming necessary the bulk of the members would pay up; a profound faith that such a call never would be necessary; an admission that in other Societies the making of such calls had caused very large secessions; the statement that in the extraordinary event of the Order being declared illegal and wound up its membership as a whole could not be re-insured in solvent companies.

The question of the whereabouts of $55,000 in one of the British Columbia timber transactions, or transfer of options, was a sensational feature. Whether it was paid out as commission and to whom did not very clearly appear but evoked a declaration from Mr. E. G. Stevenson that the Order had been "swindled" out of the amount. Mr. Fowler described this matter—the difference between $225,000 as the price paid for what an original option had stated at $170,000—as a private affair between himself and Mr. Peter Ryan. He also claimed that as the Foresters received back all the principal invested in these lumbering operations, with interest thereon at 6 per cent. and $70,000 additional profit, Mr. Stevenson had no right to describe his (Mr. Fowler's) profits as unreasonable—even if he had received the $55,000 in question. As to the alleged land speculations a newspaper he was interested in put the matter as follows: "Mr. Foster, as Manager of the Trust Company, loaned a sum of money to the Great West, which Company had secured valuable options on C. P. R. settlement lands. The security was undoubted and gilt-edged. The deal resulted in the Foresters getting every dollar of the investment back with 6 per cent. interest, and an additional profit of some hundreds of thousands of dollars—one of the most profitable investments ever made by an insurance or trust company."

The central and most interesting figure in the investigation was, however, the Hon. George E. Foster—in his dual capacity of financier and public man. The press criticisms regarding the evidence were very severe upon the Liberal side and, at times, in semi-independent journals such as the Toronto *News* and the Ottawa *Journal*. So they were as to the appearance of a Judge like Sir John Boyd upon the Directorate of the Trust Company though there was no party feeling in this respect—unless in the interview with Mr. R. R. Gamey, M.L.A. (*World*, Oct. 16), when that gentleman reflected severely upon the Chancellor who had tried his own famous case. Speaking of general conditions surrounding his personal position, and the various matters before the Commission, Mr. Foster on Oct. 3rd testified as follows:

I am not a rich man. I went into politics in 1882 and continued until 1896. I had not that peculiar ability which enables men to get rich and attend to their political duties. I came out poorer than I went in. For many years I have carried heavy financial responsibilities, but I have met them all. When I left the Ministry in 1896 I embarked in a number of financial enterprises, some of which were successful. To finance my obligations I received the assistance of kind friends, among them Mr. George W. Fowler. I received from him not only $2,500 shown by the bank, but something between $5,000 and $7,500. This was partially on account of an interest we had in a mining deal. I give you my oath that not a cent I received from him, or anyone else, was for any commission whatever.

He claimed that in the Trust Company management he had made a clear distinction between the funds for investment—

those held in trust for the Foresters and those included in Stock subscriptions. In his statement on Oct. 10th, he referred to the Great West Land Company and its suggested, and afterwards realized, association with the Union Trust Company as follows: "To me it presented itself in this way—there were 200,000 acres of well selected lands, situated in one of the best belts in the Northwest and through which the Canadian Northern Railway would soon be completed. At the cash price of these lands, $4.25 per acre (the remaining 75 cents being stock and therefore postponed until all mortgages and other obligations were met) the security for a reasonable advance was undoubted. We were willing to pay 6 per cent. interest, which was a good rate, and in addition to give a substantial stock bonus to the lender. The lands we believed would sell at a good advance and thus the security would be enhanced and the bonus stock made in the end valuable. It was a proposition we could take to another Trust Company, which another Trust Company could entertain, and upon which it could advance its money by way of mortgage and violate no rules, ethical or otherwise, governing the investment of trust funds." The arrangements proposed were understood and approved by the Board as were subsequent operations. Mr. Foster proceeded with various proofs that the duality of his position had caused neither risk nor loss to the Trust Company. So with other matters which he treated less fully.

The Insurance Companies and the Commission

Though not so sensational in appearance as the Foresters' investigation that of the Life Companies was quite sufficiently interesting to the public. That funds had been used for investment in concerns and interests not contemplated by the Insurance Act; that Directors had borrowed considerable sums in direct or indirect ways though not without reasonable security; that some of the small Companies had been dishonest in their manipulation of books and reports and their payment of commissions; that in the larger Companies financial men were paramount in influence and were closely associated with outsiders of the same type; that speculation in stocks was occasionally indulged in though without actual loss to Companies whose Directors invariably made such losses good while not personally profiting when gains were made; that the Dominion Department of Insurance neither claimed nor exercised control over the Companies' conduct of business; these were things all proven before the Commission.

How far the revelations of inner financial practice may have touched ethical considerations of right and wrong, of honour and morality, cannot be discussed here although sensationalism may be frankly said to have had full expression in the following extract from an editorial in the Toronto *Globe* of May 23rd: "The situation in Canada at this moment, from the standpoint of commercial integrity and national honour, is critical in the

extreme. As never before in this generation the public have been treated to disclosures of the most barefaced and brazen dishonesty, sometimes within the letter of the law, and sometimes in utter defiance of both letter and spirit, on the part of men upon whom every obligation of honour and decency was laid." A clearly-proved point was that, whether due to inefficient or insufficient aid, to inadequate powers, or to lack of faith in the law as he interpreted it, the Superintendent of Insurance was unable to cope with the powerful Companies who wanted extended rights of investment in order to make money for their shareholders, or policyholders, or both. Mr. Fitzgerald, whether rightly or wrongly, took the view that his duty was simply to watch over the solvency of the Companies and to draw attention to any illegal investments. So far as he saw his duty, however, Mr. Fitzgerald did his work well and earned the tribute paid him by the Minister of Finance in the Commons on May 28th: "Let me say that whenever any irregularities were discovered by the Superintendent of Insurance, and attention was called to them, in almost every case those irregularities ceased. The Superintendent has done a great deal of work in that way of which little may be said."

One or two specific features of the Companies' examination may be mentioned. The Canada Life has already been referred to at length. The Sun Life evoked praise from the Commissioners for its excellent business management; even though some of its investments had been opposed by the Superintendent as illegal. The London Life had a clean sheet so far as the inquiry could ascertain. Manager after manager testified that they must have larger liberty of investment if proper profits were to accrue to those they represented. Mr. L. Goldman, of the North American Life, put this clearly on March 22nd: "The United States Armstrong Bill, taking effect in 1907, would seriously restrict their power of investment. In Great Britain there was absolute free trade in investments. He thought Canada should have a happy mean. Free trade would lead to speculation and losses of funds. The safest investments he held to be bonds or stocks of first-class electric roads, electric light or power companies, or gas companies which had earning power. But this class of security in Canada could be counted on the fingers and with the increase of investment there will be less. He would like to see the Insurance Act amended so as to give Canadian companies power to invest in this class of securities in the United States." Much room was shown in this and other directions for legislation and much light and leading was hoped for from the Report of the Commission.*

An important element in the general investigation was the very large power exercised by Mr. Shepley, the great facilities which he was accorded in every direction, the immunity from

* NOTE—This document was made public in March, 1907, and dealt elaborately with the issues and conditions indicated.

criticism or adequate contradiction which he enjoyed. He did his duty thoroughly and well but it seems clear that the more fully and closely he pursued the investigation the more one-sided was the position for those who were in the witness box. Judging by press reports, by press headings, and by editorial comments as to the proceedings, wrong-doing was at times assumed before it was proved and was more than once publicly placarded in the press only to be contradicted in a corner the next day. The Court was there to investigate; the Counsel was there to investigate. Long explanatory statements there might be and were from many of those examined; but so far as reputations were concerned they could not, in most cases, overtake the original implication or accusatory comment. Legal defence there was none and cross-examination by witnesses' Counsel there was none. All these things influenced public opinion and, no doubt, influenced the Commissioners also.

Dispute between the Dominion Coal and Steel Companies

A matter of widespread financial interest during the year was the dispute between the Dominion Steel and Dominion Coal Companies regarding a contract for supplying coal by the latter. Many prominent men were concerned in the controversy and Sir W. C. Van Horne, Senator Cox, Hon. David Mackeen, Mr. R. B. Angus and Mr. W. B. Ross were Directors of both Companies. As the capital stock of the Dominion Coal totalled $18,000,000 and that of the Dominion Steel $25,000,000, there were very large interests involved. On Nov. 3rd it was announced that the Steel works at Sydney had closed down because of coal supplied by the other Company which was alleged to be of too poor a quality for use. Work was partially resumed a little later and then the controversy turned upon the real issue involved—the contract of Oct. 20th, 1903, under which the Coal Company had, until now, been supplying coal at a price said to be not only unremunerative but to have doubled in amount and to involve a heavy yearly loss. Mr. James Ross, President of the Coal Company, made the following statement of his side of the case to the Montreal *Gazette* on Nov. 17th:

> On October 18 (1906) the Dominion Coal Company was notified by the Steel Company that on and after the first of November they would accept only fresh mined (run-of-mine) coal and from the Phelan seam only, for all purposes. We considered that this demand on their part was made on us for the sole object of putting us in default. The Steel Company knew quite well that we had a very large amount of coal to get up the St. Lawrence during the few remaining weeks of navigation, and that there were large demands on our output from other customers from ports closed during the winter months. They also knew that we had been hard pushed to fill our contracts with the New England Gas Company. I should also say that they claimed, before this, that we were in default, and sent us a bill for coal which they had purchased from the Nova Scotia Steel Company, but we repudiated the account. I do not think, as a matter of fact, that the Steel Company believed, themselves, that they had anything like a sufficient case to put us

in default up to the 18th Oct. Previous to this date, they had been accepting, during the whole season, slack coal from our bank, and coal from almost all the other mines.

Meantime, on Nov. 10th, Sir W. C. Van Horne had retired from the Board of the Coal Company and on Nov. 26th, in an interview in the *Gazette*, reviewed the situation with the following conclusion: "A contract is a contract. This contract provides for a readjustment of prices at stated intervals. The taking of 'slack' instead of 'mine run' coal by the Steel Company was itself equivalent to a material advance in price. There is no reason why the contract price should be changed merely because coal can be sold to others at this time for uncommonly good prices, and it does not justify taking advantage of the apparent necessities of the Steel Company to force a new contract upon them; and that is the long and short of the action of the officers of the Coal Company. It should not be forgotten in considering the contract price that the Steel Company is a year-round customer for coal, and without the Steel works the Coal Company would have, during the winter, either to find foreign markets for their coal at any price obtainable or shut down their workings, throwing their miners out of employment and making it impossible to hold them for the summer's work. Indeed, it was this very condition that suggested the idea of the Steel Works at Sydney." To the Montreal *Star* of Nov. 13th, Senator L. J. Forget, Vice-President of the Dominion Iron and Steel Company, had, meanwhile, made the statement which follows:

Over a year ago notices were given to the Coal Company that the Steel Company requirements from the 1st of October, 1906, would be 80,000 tons a month, which requirement was *bona fide* and necessary for the proper operation of its works. In November, 1905, the Coal Company agreed that if the Steel Company would accept slack at once, the Coal Company would meet the Steel Company's requirements. The Steel Company accepted the slack on that distinct understanding, but the Coal Company did not live up to its agreement. In the month of September last, the delivery was about 20,000 tons short of the notices; August was about 15,000 tons short to the best of my recollection. The Steel Company, to keep its plant in operation, was obliged to buy about 25,000 tons of coal outside, which should have been supplied by the Coal Company, under the properly given notices of the Steel Company. The Steel Company duly notified the Coal Company that it would be obliged to buy such coal and to charge them the additional cost of the coal bought, owing to its default, and the Coal Company repudiated its liability—therefore the difference in price was about $25,000. On the 18th of October the Steel Company notified the Coal Company that after the 1st of November it would require a "run-of-mine" coal from the Phelan seam. This was due to the fact that the Coal Company was making short deliveries and repudiating the Steel Company's right to make up the shortage from outside sources and charge them the additional cost sustained in consequence of their breach of contract.

An elaborate correspondence followed between the two Companies as to the supply of coal under a temporary arrangement until the main issue was settled in the Courts or otherwise.

Details as to cost and quality were much in debate and, finally, the negotiations fell through. A meeting of the Steel Company's Directors was held on Nov. 26th with President J. H. Plummer, Senator Forget, Senator Cox, Sir Henry Pellatt, Senator Mackay, Senator Mackeen and Messrs. Elias Rogers, William McMaster and H. F. Dimock present. The following announcement was issued at the close of the meeting: "From the correspondence it clearly appeared that the Coal Company refuses to sell coal to the Steel Company at any price, except on condition that the Steel Company should abandon its contract for coal, its claim for damages, and enter on negotiations for a new contract. The Board authorized the management to take immediate action against the Coal Company, the amount claimed will be the extra cost of coal which the Steel Company has to buy outside and the damages which it has suffered through the partial shutting down of its plant. It was determined also to carry on operations at the plant as fully as possible, purchasing the necessary coal wherever it can be best obtained, holding the Coal Company responsible for the extra cost."

This appeared to settle the question for the time but on Dec. 7th, after the Hon. Mr. Fielding, Minister of Finance, had personally mediated in the matter, it was announced that a conclusion had been arrived at between the contending factions and the main features of the arrangement were reported to be that for two years the Coal Company would supply the Steel Company with a minimum quantity of 65,000 tons a month. The Steel Company was to pay for 30,000 tons a month at the rate of $1.75 for slack and $2.62 for run-of-mine. For the other 35,000 tons the Steel Company would pay at the rate of $2.80 for slack and $3.05 for run-of-mine. In the meantime a friendly suit was to be entered to recover the difference between these prices and those of the contract. On Dec. 8th suit was duly entered in the Supreme Court at Halifax. Reference has been made elsewhere to the financial affairs of the Dominion Iron and Steel Co. but it might be said here that in its fiscal year 1901-2 the production of the Dominion Coal Co. was 2,651,263 tons and in the calendar year 1906 was 3,552,746 tons; that its floating liabilities in the former year were $1,311,375 and in the latter $634,070; that its liquid assets in 1901 were $1,850,483 and in 1906, $2,431,094.

The Ontario Bank Disaster and Other Financial Incidents

There had been 17 failures of Banks in Canada since 1867 prior to the sudden and somewhat startling announcement on Oct. 12th that the Ontario Bank was in difficulties but that its liabilities would be guaranteed by the Bank of Montreal. The immediately-preceding statement of this institution to the Government, on Sept. 30th, showed a capital subscribed and paid up of $1,500,000; a rest of $7,000,000 and a dividend of 7 per cent; notes in circulation of $1,351,402; deposits payable on demand of $2,965,038 and, after notice, of $9,591,264;

total liabilities of $15,272,271. Its assets included total holdings of specie, Dominion notes, cheques of other banks, balances due from agencies and from Government, municipal, or railway securities, amounting to $2,819,204; loans on stocks and bonds in Canada (and not elsewhere) amounting to $589,402; current loans in Canada (and not elsewhere) of $12,287,691; total assets of $15,920,307. The President and Directors, with their holdings at the time of suspension, were as follows:

Office.	Name.	Shares.
President	Mr. G. R. R. Cockburn	452⅝
Director	Mr. Donald Mackay	128
Director	Mr. R. D. Perry	100
Director	Hon. R. Harcourt, K.C.	70
Director	Mr. R. Grass	100
Director	Mr. T. Walmsley	50
Director	Mr. John Flett	52

It may be added, as instructive in connection with what followed, that the prices of Ontario Bank stock had varied from the highest quotation in 1896 of 81½ and the lowest of 55½ to 143⅞ and 129, respectively, in 1906. With the exception of 1900 and 1901 the trend each year had been steadily upward.* On Oct. 12th, without warning or public suspicion, and as a result of private communications between President Cockburn and the Bank of Montreal authorities, coupled with a lengthy meeting on the preceding night of representatives from the various Banks in Toronto, Mr. Cockburn made the following announcement:

> The Directors of the Ontario Bank, aided by the friendly offices of the other Banks, have succeeded in completing an arrangement with the Bank of Montreal whereby that institution assumes all obligations of the Ontario Bank to the public. The current business of the Bank is in excellent shape. Its difficulties have been occasioned by the wrongful and unauthorized stock operations of the General-Manager, which have only recently been discovered. Notwithstanding serious losses from this cause, the Assets of the Bank are amply sufficient to pay all liabilities to the public, and the arrangement now completed permits of the continuance of the business without the loss and inconvenience to which depositors and others would have been subjected by any interruption to the business of the Bank.

To the press Mr. Cockburn added the statement that the shortage was caused by stock speculations on the part of Mr. Charles McGill, the General-Manager, and that it would exceed $1,000,000 in amount. He declared that the general condition of the Bank and its branches, outside of the misapplication of funds, was good. At the same time that this notice was given out the Bank of Montreal assumed control of the branches of the institution and carried on the business under its own name. There was a slight " run " and a tendency on the part of the public to withdraw funds but it did not last long and confidence was soon

* NOTE—These figures are taken from the Toronto *Globe* of October 13, 190.

restored. The Directors of the Ontario Bank asked the Canadian Bankers Association to appoint a Curator to supervise the affairs of the institution and this was done on Oct. 15th in the person of Mr. W. E. Stavert of the Bank of Montreal. An Advisory Board of three General-Managers, comprising Messrs. B. E. Walker, D. R. Wilkie and Duncan Coulson, was also appointed to assist in the liquidation and co-operate with the Directors of the Ontario Bank. On behalf of the Bank of Montreal Mr. A. D. Braithwaite was placed in charge of its interests.

A meeting of shareholders was held in Toronto on Nov. 1st, with some 1,200 out of 15,000 shares represented, and a Committee with Mr. Barlow Cumberland as Chairman was appointed to ascertain if the Directors could be made responsible for the losses incurred. Meantime the press and public had somewhat severely criticized the latter gentlemen in the matter and had demanded a close and careful investigation of the causes which had wrecked the Bank. *The Globe,* particularly, asked what the President and Directors were for (Oct. 15) if not to guard the Bank from robbery and ruin. A special general meeting of the shareholders was held on Dec. 11th when the resignation of the old Board of Directors was received, the number of new appointments reduced to five, and Messrs. H. C. Hammond (President), E. R. Wood, Barlow Cumberland, C. S. Gzowski, and George Reedy were elected to the new Board.

Mr. G. R. R. Cockburn delivered a lengthy and careful address summarizing the record of the Bank in the last few years and describing his own and the General-Manager's position. "I most earnestly declare to you," said Mr. Cockburn, "for myself and my colleagues, that these losses were incurred without the knowledge of myself or any of the Directors and that we had no knowledge of them until September last." His contention, in brief, was that the Directors had to put confidence in someone; that Mr. McGill had been carefully selected for his post owing to a reputation for integrity and ability; that it was impossible for any Board to supervise details of management or to go behind the back of trusted officials; that the Directors owned one-fourteenth of the entire stock and that he, himself, was the largest individual stockholder; that not one of the Directors had made use of the Bank in any way for personal gain. Not one of them owed the Bank a dollar. "I can assure you that not one of them neglected his duties. Not one of us had the remotest idea that the General-Manager was engaged in the purchase or sale of unauthorized stocks or securities."

During his address, Mr. Cockburn gave details of the arrangement with the Bank of Montreal. The latter institution had purchased by way of discount, and re-discount, all the call and current loans and over-due debts, due to the Ontario Bank on Oct. 12th. "The estimate of the total assets of the Bank is, including real estate considerably undervalued, nearly $17,000,000. On

performance of the agreement the Ontario Bank is to be entitled to receive for good-will $150,000. This sum would have been lost in a compulsory winding up, which would have added a further expense for costs and commissions of, say, $850,000. Thus, it is believed, in these two items alone $1,000,000 have been potentially saved by the course pursued by your Board." Meanwhile it became known that Mr. McGill had been operating largely for years in New York stocks; with the stated excuse that he had to build up the Bank and that this seemed the best and easiest method. According to various interviews given in the press he claimed to have found the institution practically insolvent when assuming control in 1895. To the Toronto *Star* on Oct. 15th, he gave the following statement:

> I said that the Ontario Bank assets were good ; not because they were good, but because I did not want the institution to tumble. I watched and nursed Ontario Bank stock daily—now buying, now selling. I was building up the Bank outside, increasing and improving the branches. Well, the good times had not arrived. A lumber company failed. The company's account with us exceeded $500,000. Another firm went under and we practically got nothing of the $100,000 that we had advanced. Prospects looked blue. Still, I hoped that by quietly nursing our accounts until they should return to par or near, and some did, and by investing in good American securities, I might win out after all. Times did not improve, but a fifty-thousand dollar loan on our books when I began had grown. Firms wanted more money. Industrial expansion had commenced and we had increased the loans. Besides, as I have pointed out, I had been building up the branches. As I have told you my stock investments yielded returns for a while. Then came reverses.

On Oct. 16th Messrs. A. E. Ames & Company, who had for years been interested in the sale of Ontario Bank stock, issued a circular demanding that the Directors be prosecuted if they refused to meet the liabilities incurred owing to what was described as remissness in duty to the shareholders. On the following day Mr. McGill was arrested upon the charge of making false Government returns of the position of his Bank and a summons was issued against Mr. Cockburn for having signed these statements. McGill was admitted to bail and the case then dragged itself through the Toronto Police Court until and after the close of the year. A new charge was, however, laid by order of Mr. Magistrate Denison on Nov. 6th involving specific arraignment of McGill for stealing $136,049.91 belonging to the Ontario Bank. Bail was at first refused but, ultimately, allowed in the sum of $100,000.

Amongst the witnesses who testified in the trial was Mr. A. E. Ames regarding stock investments made by McGill through his firm. He declared that the transactions were understood to be personal ones and, so long as the securities were good, further inquiries were not thought necessary. Mr. J. G. Langton swore that he had left the institution—where he was for a time accountant—rather than consent to the continued use of false statements. Mr. Charles Holland, the preceding General-Manager, swore that

when he left charge the Bank was in a sound and solvent condition. Mr. R. B. Caldwell, Inspector of the Bank, testified as to a thorough inspection of the branches but he had not been allowed to investigate the Head Office. Mr. Cockburn had consented to this being done during the past two years but McGill had, in each case, postponed action until it was too late.

On Nov. 16th Mr. F. H. Pope, a clerk in the Head Office, described how he had discovered the stock speculations which were going on and, in the absence of the President in Europe and the temporary absence of McGill in New York, had upon his own responsibility called the Directors together and told what he knew or feared. Mr. Cockburn was then telegraphed for. A little later it was decided by the Court to send a Commission to New York to examine brokers there and to ascertain exactly how matters stood regarding the many millions involved in that part of McGill's transactions. On Dec. 6th the charge was again enlarged to one of stealing $1,500,000 in money, the property of the Ontario Bank.* It may be added that the Crown Attorney in this case was Mr. J. W. S. Corley; the Defendant's counsel was Mr. R. E. McKay; and the Counsel of the Canadian Bankers Association was Hon. A. B. Morine, K.C.

Apart from the Ontario Bank disaster there were some not altogether creditable financial matters threshed out in the Courts during 1906. The Toronto Police Court investigation into the alleged Tack combine indicated an agreement to restrict output and an attempt to control the trade and was sent on to the higher Courts for trial. The continued Plumbers' inquiry in that city resulted in the defendants pleading guilty to a charge of conspiring to injure and restrain trade and, in individual cases, to defraud institutions. Heavy fines were imposed (Jan. 14th) upon 38 persons. Mr. Chancellor Boyd in giving judgment described the acts dealt with as "criminal misconduct" and the admission of guilt a "deplorable scene" in its relation to the commercial morality of the community. An appeal was afterwards dismissed. In St. Catharines, on June 16th, the Ontario Silver Plating Company of Niagara Falls was found guilty of fraudulently and illegally stamping goods as having been made in Sheffield. The Judge imposed a fine of $600 and regretted that there was no penalty of imprisonment for such an offence against public and business morality. Toronto experienced, during the year, a most unpleasant investigation into contracts given for construction of public buildings and much evidence was adduced as to "rake-offs," and manipulation in tenders, or diversion of profits in various channels of a somewhat suspicious character. Charges were also made and ventilated regarding certain sales of University lands in which a trusted agent was said to have made large sums of money. The *World's* allegations of a Hog Packers' Com-

* NOTE—Early in 1907 McGill was found guilty and condemned to five years in the Penitentiary.

bine were answered very fully, so far as the Wm. Davies Company were concerned, by Mr. Davies and Mr. J. W. Flavelle.

More prominent than these matters was the collapse of the York County Loan and Savings Company; the arrest on Jan. 8th of its President, Joseph Phillips, on a charge of fraudulent conspiracy; the investigation into the Company's affairs by Mr. W. H. Cross, an expert accountant, and his statement that the basic plan of the concern was unsound and foredoomed to failure, that the shortage in the installment share account was probably a million dollars, and that the reports of the Company from year to year, to both public and the Government, were increasingly untrue. The following quotation from the statement of Mr. Cross—coupled with the fact of $8,000,000 having been collected by the concern and more than $5,000,000 paid out preferentially to withdrawing shareholders—explained the situation:

> **I find that the Company invested its funds largely in unproductive real estate, thus abandoning its proper business as a Loan Company. I find that from the organization of the Company and down to the year 1903 forfeitures by members for non-payment of installments were a substantial source of revenue to the Company. In that year a statute was passed by the Ontario Legislature regulating and limiting the right of Loan corporations to declare such forfeitures for non-payment of installments. This legislation substantially reduced the receipts of the Company from that source, and is stated by the officers to have been a principal cause of the Company's failure. The immediate cause of suspension was the heavy withdrawals of shareholders which, in 1904, amounted to $1,500,000 and in 1905 to an amount not greatly less.**

The Toronto Life Insurance Company, the Liszt Piano Company and the Southern Light and Power Company were subsidiary concerns created to help out the York Loan and with relations so close as to make distinction difficult. The succeeding trial dragged itself on through the year, sharp investigation in the Police Court being succeeded by long adjournments. Missing books, testimony as to loose methods of management, extraordinary forgetfulness in witnesses, large apparent payments to Phillips for unexplained purposes, curious payments to employees, were some of the features of the case. On March 30th Lieut.-Colonel George T. Denison, the Police Magistrate, refused bail and committed Phillips to the County jail. On April 4th he declared that "In all my experience, never have I come across a case so mixed up, so complicated, and everything with the purpose of defrauding. There has never before been such a secret complicated method of perpetrating fraud brought before me, and it should be fully investigated." On April 13th Mr. Cross made public a further Report to the Provincial Government—which had taken the first action in the inquiry and appointed him to make the expert examination of the books. He clearly charged improper book entries and that the Directors, officers, etc., had, latterly, withdrawn their own funds from the concern while continuing to obtain new stock subscriptions and the collection of monthly

installments. A few days later the defendant was granted bail and the case went before the County Court Judge. It was still pending at the close of the year. On Dec. 14th Mr. R. Home Smith, on behalf of the National Trust Company, liquidators of the York Loan, reported assets of $1,319,064 and liabilities of $4,112,632—the former including vacant land and other properties difficult of valuation.

On Aug. 28th echoes of the Bank of Yarmouth (Nova Scotia) failure in March, 1905, were heard in the arrest of Senator John Lovitt, its President, upon the charge of making false and deceptive returns to the Government. The chief point in the ensuing trial and conviction was that of responsibility for signing the official returns. Conviction was followed by appeal to the Supreme Court of the Province with the result, eventually, of acquittal. Another affair bringing back memories of the financial crash in 1903, which involved the Atlas and Elgin Loan Companies of St. Thomas, was the report in October of the liquidators of the former concern realizing to its creditors a final payment and netting them altogether 45 cents on the dollar. Late in the year the Judicial Committee in London discussed an appeal in a case which arose out of the collapse of La Banque du Peuple in 1895 and in which the former President was sued for $54,000 paid, as a result of the liquidation, by one of his Directors. The judgment practically declared that the charges as to misrepresentation in the last annual Report of the defunct institution were not proven.

FINANCIAL APPOINTMENTS OF 1906

(Not elsewhere mentioned)

Company.	Place.	Position.	Name.
Royal Loan and Savings Co...	Brantford .	President	Christopher Cook.
Bell Telephone Co.....	Montreal..	Gen. Manager	L. B. McFarlane.
" "	Montreal..	Gen. Supt....	C. F. Size, Jr.
Consumers Gas Co.	Toronto...	President	J. L. Blaikie.
Western Assurance Co.	Winnipeg..	Man'g Dir....	W. Russell.
London and Lancashire Fire Insurance Co	Montreal..	Local Director	George Caverhill.
" " "	Montreal..	Local Director	Hon. F. L. Beique, K.C.
" " "	Montreal..	Local Director	H. Markland Molson.
Sovereign Fire Insurance Co..	Toronto...	Gen. Manager	H. S. Wilson.
Excelsior Life Insurance Co...	Toronto...	Gen. Manager	Edwin Marshall.
Life Underwriters Association of Canada	Montreal..	President	G. H. Allen.
Montreal Street Railway	Montreal..	Superintendent	A. Gaboury.
Consolidated Light, Heat and Power Company	Ottawa ...	President	T. Ahearn.
" "	Ottawa ...	Sec.-Treas.....	D. R. Street.
Union Trust Company	Toronto...	President	Charles Magee.
" "	Toronto...	1st Vice-Pres..	E. G. Stevenson.
" "	Toronto...	2nd Vice-Pres.	Lieut.-Col. J. I. Davidson.
Dominion Iron and Steel Co...	Sydney ...	Gen. Manager	F. P. Jones.
" " "	Sydney ...	Gen. Supt....	C. H. MacMillan.
Smart Bag Co., Limited.....	Montreal..	Pres. and Man.	Charles G. Smart.
B. C. Electric Railway Co., Limited	Vancouver	Local Advisory Committee..	W. H. Keary.

CONDENSED SUMMARY STATEMENT OF CANADIAN BANKS, DEC. 31ST, 1906.

NAME OF BANK.	Total Assets.	Total Liabilities.	Paid-up Capital.	Reserve Fund.	Call and Short Loans.	Current Loans.	Notes in Circulation.	Deposits on Demand.	Deposits on Notice.	Specie and Dominion Notes.
	$	$	$	$	$	$	$	$	$	$
Bank of Montreal	169,612,620	143,261,984	14,400,000	11,000,000	28,325,590	80,349,699	11,722,016	28,675,448	67,282,154	11,866,471
Bank of New Brunswick	6,615,283	4,687,588	706,280	1,190,442	1,343,219	3,641,948	649,910	863,076	3,029,079	365,310
Quebec Bank	14,948,860	11,012,546	2,500,000	1,150,000	2,585,261	8,999,090	1,854,934	2,306,246	6,469,715	718,951
Bank of Nova Scotia	37,461,788	29,040,423	3,000,000	5,250,000	5,598,679	13,622,616	2,888,777	11,797,814	8,817,484	4,328,697
St. Stephen's Bank	915,500	658,679	200,000	47,500	11,811,752	623,169	185,640	188,915	256,596	34,104
Bank of British North America	47,392,179	39,019,357	4,866,666	2,141,333	1,787,937	18,401,856	8,503,606	7,117,950	12,859,501	2,706,926
Bank of Toronto	37,129,957	28,434,069	3,954,640	4,454,640	3,954,408	24,467,672	3,259,105	9,384,127	15,166,103	1,908,837
Molsons Bank	33,384,887	26,781,789	3,083,070	3,000,000	2,376,046	20,986,556	2,798,486	6,229,450	17,161,953	1,857,208
Eastern Townships Bank	20,296,385	15,280,913	2,939,200	1,860,000	261,941	13,291,053	2,250,810	2,936,869	10,040,629	1,171,647
Union Bank of Halifax	12,972,788	10,137,583	1,500,000	1,143,752	....	8,115,369	1,343,288	1,483,392	5,674,806	888,583
Ontario Bank	6,755,460	6,187,149	1,500,000	700,000	838,838	4,463,453	317,091	....	....	....
Banque Nationale	12,825,822	10,327,552	1,633,089	600,000	8,083,460	9,816,757	1,617,150	1,730,902	6,657,918	651,778
Merchants Bank of Canada	54,730,635	44,658,194	6,000,000	3,600,000	1,215,066	28,937,925	5,169,665	12,494,514	23,941,496	3,629,865
Banque Provinciale du Canada	6,154,416	5,111,555	829,212	150,000	46,400	2,297,856	780,643	612,497	2,795,825	61,942
People's Bank of New Brunswick	1,020,512	628,401	180,000	180,000	1,689,605	703,391	142,428	274,699	202,352	53,726
Union Bank of Canada	31,409,650	26,561,374	3,000,000	1,500,000	11,315,571	23,058,544	2,690,795	7,947,885	13,986,100	1,984,202
Canadian Bank of Commerce	117,198,646	101,819,763	10,000,000	5,000,000	5,609,387	80,836,771	8,842,820	29,813,248	47,955,643	7,989,747
Royal Bank of Canada	45,437,516	36,987,641	3,900,000	4,390,000	3,703,134	19,478,948	3,780,348	7,645,469	14,008,821	4,729,545
Dominion Bank	49,694,379	42,491,345	3,000,000	3,900,000	1,767,229	32,915,267	2,691,986	11,238,660	25,436,327	4,575,661
Bank of Hamilton	32,064,426	26,981,805	2,470,120	2,470,120	990,926	20,172,894	2,301,376	6,973,852	16,759,620	2,608,322
Standard Bank of Canada	19,606,129	16,425,609	1,491,825	1,591,825	....	13,889,576	1,213,061	4,141,505	10,451,307	1,018,028
Banque de St. Jean	1,008,076	662,057	316,166	10,000	....	795,960	198,773	42,870	392,880	33,482
Banque d'Hochelaga	18,173,985	14,506,403	2,000,000	1,600,000	636,393	12,854,025	1,923,343	3,218,567	8,743,195	836,330
Banque de St. Hyacinthe	1,689,575	1,251,669	329,515	75,000	....	1,272,183	275,800	119,011	833,866	29,258
Bank of Ottawa	32,861,399	26,520,106	3,000,000	3,000,000	3,416,058	20,691,281	2,637,040	5,383,800	17,955,101	2,323,798
Imperial Bank of Canada	45,662,810	35,658,080	4,572,445	4,572,445	4,576,123	25,165,657	3,700,182	10,784,707	20,114,999	6,163,817
Western Bank of Canada	5,812,626	4,876,600	555,000	300,000	....	3,237,178	479,285	644,054	3,707,236	82,768
Traders Bank of Canada	33,000,363	26,651,302	4,322,537	1,900,000	1,589,708	25,000,655	2,923,630	6,242,976	16,070,505	2,212,459
Sovereign Bank of Canada	29,208,311	23,873,631	3,976,320	1,255,950	5,549,459	16,498,522	2,497,770	5,941,063	11,647,142	1,200,385
Metropolitan Bank	7,063,474	4,838,163	1,000,000	1,000,000	825,407	4,525,532	907,122	1,223,111	2,395,171	470,681
Crown Bank of Canada	5,346,597	4,313,314	940,780	Nil.	245,261	3,088,834	622,520	982,914	2,021,889	518,961
Home Bank of Canada	5,889,362	4,771,160	821,780	175,000	4,090,658	721,436	450,050	750,077	3,536,459	212,126
Northern Bank	6,270,486	5,090,400	1,129,592	50,000	175,790	4,464,113	900,855	2,201,238	1,251,362	460,439
Sterling Bank of Canada	2,962,712	2,226,715	655,556	Nil.	870,152	1,113,138	549,590	652,675	1,023,515	305,904
United Empire Bank of Canada	1,347,093	921,609	434,982	Nil.	590,445	185,556	346,885	99,901	118,523	16,946
Farmers Bank of Canada	267,839	....	300,240	Nil.	....	....	....	....	....	2,000
	954,192,546	782,656,528	95,509,015	69,258,007	116,469,903	548,684,480	78,416,780	192,143,482	398,765,182	68,018,904

V.—MUNICIPAL PROGRESS AND CONDITIONS

Progress and Conditions in Toronto, Montreal and Winnipeg

With the growth of the country in population, wealth and scope for labour and enterprise, development in the cities and towns was inevitable. In Toronto the local assessment completed on Oct. 1, 1906, showed a total of $185,713,845 as compared with $137,861,755 in the preceding year. The land was assessed at $70,883,857 or an increase of nearly 5½ millions; the buildings at $84,362,480 or an increase of $8,800,000; the business interests of the City at $22,014,821 or an increase of nearly 3¼ millions; the incomes at $8,452,678 or an increase of $350,000. The real estate development of the past few years was the great feature of local progress. In 1894 there had been 4,905 vacant houses in Toronto; in 1902 there were only 816 vacant and in 1905—according to figures given by *The News* of March 1, 1906—there were 2,550 houses constructed at a cost of $6,350,716.

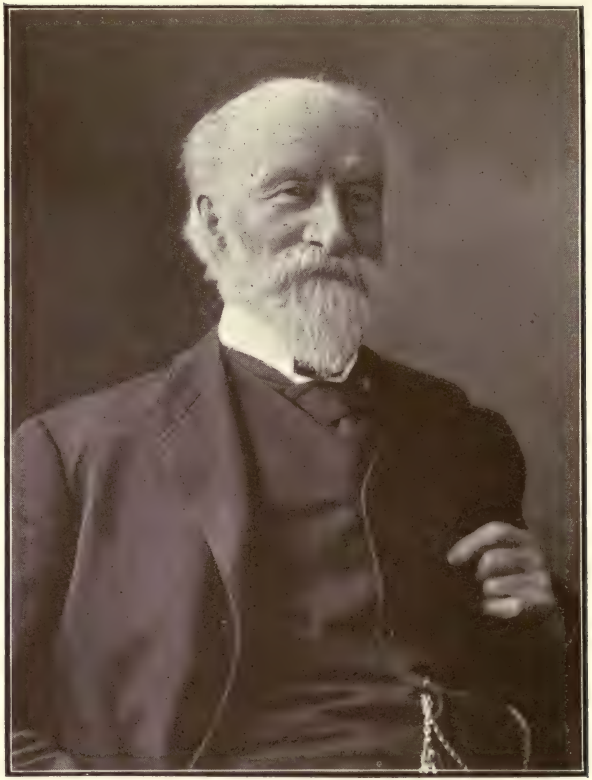
Yet in 1906 the vital need of the people was houses. So great was the pressure of increasing population—given in a tentative way by the Assessment Commissioners at 253,720 or an increase over 1905 of 15,078—that Mr. Mayor Coatsworth, in a press interview on Oct. 29th, summed up much public discussion in the proposal which follows: "A comprehensive scheme should be entered upon at once, either by the municipality or private corporations, or persons, to secure for the workingmen good and comfortable houses, not too far away, at prices or rents which will bring them within the reach of all. The cost of a workingman's house to buy should not be more than from $1,000 to $2,000 and to rent from $10 to $15 per month." Further indications of progress were found in the fact of an estimated employment in Toronto's factories of 50,000 hands in 1904, 60,000 in 1905, and 65,000 in 1906. Transfers of real estate numbered 4,968 in 1904, 7,863 in 1905, and 9,375 in 1906. The Money Order payments at the Post Office in the fiscal year 1906 were $6,192,278 or an increase of $1,082,102 over 1905. Banking statistics proved the position of Toronto as then running neck and neck with Montreal in a race for financial supremacy in Canada. Ten years' progress in the two cities was described by *The Globe*, on May 31st, 1906, in a special article which dealt with the position of Banks having Head Offices in Toronto and Montreal on the dates indicated:

	Paid-up Capital.	Rest.	Total Deposits.	Total Assets.
April 30th, 1896.				
Montreal	$27,846,286	$12,278,333	$57,563,968	$123,894,177
Toronto.....	14,663,600	6,381,000	58,052,681	91,997,394
April 30th, 1906.				
Montreal	$31,089,998	$19,991,333	$195,111,259	$297,684,385
Toronto.....	32,498,371	20,969,636	221,541,489	311,760,564
Ten-year Increases.				
Montreal	$3,243,712	$7,713,000	$137,547,291	$173,790,208
Per cent.....	11½	63	237	140
Toronto..... ..	17,834,771	14,588,636	163,488,808	219,763,170
Per cent.....	121	228	298	238

In Montreal the year was notable for new buildings, and a movement upward of real estate values. During 1905 the transfers of property had totalled a valuation of $17,559,000 or an increase for the year of over 5½ millions. The population was estimated in 1906 at 350,000 and the assessed valuation of property at the end of that year was $255,012,389 as against $219,047,960 in 1905 and $185,000,000 in 1900. In the first half of 1906 there was also great expansion in building—permits being issued at a valuation of $4,358,388 or twice that of the same period in 1905 and three times that of 1902. For the whole year the increase was nearly three millions over 1905. The sales of real estate registered in May were over $3,000,000 and for the first six months of 1906 $13,432,586 as against $8,254,610 in the same period of the previous year. The taxable property was officially stated at $200,600,344 and the exempted property at $50,948,000; the Customs receipts were $14,143,616; the value of school property was $2,426,000; the passengers carried annually on the Street Railway were 77,356,000 in number.

Winnipeg's own estimate of population at the close of 1906 was 101,051 and a good deal of local resentment was expressed at the Census returns as being inaccurate; the receipts of cattle in its markets numbered 130,426 as compared with 90,663 in 1905; the bank clearings showed an increase of $130,000,000, or 36 per cent., and an increase over 1902 of $316,000,000. The new buildings for which permits were issued in 1906 numbered 2,508 at a proposed cost of $12,760,450, or almost equal to that of Toronto with 2½ times its population, and $3,000,000 more than in 1904. Here, as in Montreal, the construction of large apartment houses was a feature of the year. Real estate increased greatly in values and in activity of transactions while the promised coming of the Hill railway interests helped further to stimulate local expectations and progress; and the unquestioned presence of new industrial concerns gave prosperity an additional fillip. The Winnipeg *Tribune* of May 5 declared that "Winnipeg in 1912 will have a population not far from 300,000; a city larger than Minneapolis at the present time. From the date when Winnipeg begins to use electrical power, produced from

ALEXANDER MUIR.
Died 1906. Author of "The Maple Leaf Forever."



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water sources, as a means for manufacturing, she will go ahead at a rate which will make her present progress seem a stationary condition." Winnipeg realty values in 1900 were $26,973,650; in 1906 they were $84,752,580. There were 69,178 cars of grain inspected locally in the crop year 1906 as against 40,396 in 1905. Winnipeg's assessment at the close of 1906 was $80,511,725 or an increase of $15,000,000 in one year. Some comparative statistics of these three cities follow:

	Toronto	Montreal.	Winnipeg.
Total Trade in 1906	$ 58,134,322	$163,846,479	$ 17,875,088
Increase over 1905	7,285,078	25,984,170	4,523,605
Bank Clearings in 1906	775,325,433	982,526,917	284,879,809
Increase over 1905	107,153,935	133,424,767	76,470,076
Value of Building Permits, 1906	13,160,308	7,745,023	12,760,450
Increase over 1905	2,812,483	2,965,643	1,920,300

Municipal Conditions in Ontario and the East

According to the latest Municipal statistics of Ontario* the population of the Province in 1905 was 2,101,260 with a total assessment of $1,036,-910,130. In 1904 the debenture debt of the municipalities was $68,195,775 or $3,283 per head and the floating indebtedness $9,509,932, with sinking funds available of $12,516,290. The aggregate assets were $77,705,707, the receipts $45,739,236, the expenditures $43,956,145. In 1905 there were 522 township municipalities, 116 towns, 132 villages and 16 cities, while the population was divided as follows: Townships 1,061,018; villages and towns 482,254; cities 557,988. In the previous year 8 cities, 47 towns and 18 villages in Ontario owned and operated electric or gas plants. Reference has already been made to Toronto and it is impossible to refer separately to the growth of cities and towns, or in a few cases the reverse of growth, in so large and populous a Province.

Of Ottawa, something in particular may be said. Its assessment, as stated at the close of 1906, was $41,390,000 compared with $37,973,000 in the previous year; its population was locally estimated at 67,572 as against 65,120 in 1905. If Hull, practically a suburb across the Ottawa River, and smaller suburbs were included, the population would be over 90,000. In the Chaudière Falls—almost within the City—there was enormous water-power and already some of the largest saw-mills in the world were established in its vicinity. Some 225 industries were in operation during 1906 with $15,000,000 of invested capital and employing about 10,000 hands with an output of $12,000,000. During the year 362 building permits were issued aggregating $1,728,975, or an increase of $200,000 over 1905. On Jan. 1st Mr. J. A. Ellis was elected Mayor for a third term and in his inaugural address (Feb. 5th) suggested the annexation of suburbs

* NOTE—Published by the Government Bureau of Industries, April 1st, 1907.

which (without Hull) would make the population 76,000. A matter of much local discussion was disposed of by Mr. Justice Teetzel giving verdict in a libel suit brought by the Mayor against Mr. W. G. Black who had charged him with privately altering a public contract and thus losing the city $3,000. The Jury gave Mayor Ellis $1,000 damages, while the Judge seriously criticized him for making the alteration, though he did not see that anything would be lost to the City thereby.

A pronounced agitation was carried on by Mr. Andrew Holland and others during 1906 with a view to having the City made a National District like Washington, U.S. The Board of Trade heard Mr. Holland on the subject (Oct. 16th) and he pointed out various advantages in the proposal. " Continuity of policy under Government by commission is secured; expenditure of public money on more scientific and economical principles is assured—free from the debasing influence of ward-heelers and partisan politicians. It would secure the services of men of broader views, better business training and ability, who, while exercising to a certain extent autocratic powers would still be amenable and responsive to the criticisms of an independent press and intelligent public opinion; while uninfluenced by place-hunters, transient excitement, and the clamour of self-seeking demagogues and professional agitators." The chief objection raised was the necessary disfranchisement of the citizens and the possible injury to industrial enterprise by the tying up of a district ten miles square under restrictive conditions. In December Mr. Ellis resigned the Mayoralty to accept the position of Assessment Commissioner and Mr. Robert Hastey was elected Mayor for the balance of the term.

The Ontario centres in which the most marked progress occurred were naturally in the newer regions. Cobalt has been dealt with under the head of mining affairs and mineral development was also the cause of growth in Haileybury, Liskeard and other towns along the Temiskaming Railway in New Ontario. Port Arthur and Fort William were points of special progress during 1906. In the crop year 1905-6 the grain shipped from the two ports rose to 62,648,000 bushels as compared with 30,973,338 bushels in 1904-5. In the whole season of navigation, 1906, the two ports shipped 3,350,493 bushels of wheat and 5,018,152 bushels of oats more than in the year 1905. The new buildings erected in Port Arthur during 1906 were valued at $2,894,760 and in Fort William at $1,152,240. The exports and imports of the former place in the fiscal year were $5,798,042 or an increase of $1,700,000; the total trade of the latter place was $13,475,088 or an increase of $7,700,000.

Port Arthur had grown in three years from about 4,000 to 10,000 people; the coming of the Canadian Northern and the establishment of its terminal facilities had done much to help; extensive docks, new elevators, large smelting works under con-

struction, a great advance in real estate prices and operations; were other elements of progress. Fort William had more than doubled its population of 4,000 in four years and the building of three large new elevators and a new City Hall costing $70,000; the construction of an Ogilvie flour mill with an output capacity of 3,000 barrels a day; the establishment of a great blast furnace by the Atikokan Iron Mining Company; the pending construction of large implement and oil warehouses and a factory for making car wheels; the introduction of a new waterworks system; with the preliminaries of large terminal construction works by the Grand Trunk Pacific; were amongst its incidents of local development in 1906. In addition to these elements of progress was the widening of the Kaministiquia River at an expense to the Dominion Government of several millions in order to improve the harbour facilities. In the matter of assessment Port Arthur's total at the close of 1906 was $7,092,029 and Fort William's $6,242,246. There was, during the year, some academic discussion of bringing these rival ports and towns into union but nothing practical was done.

The progress of other Ontario towns was more quiet and steady than the growth arising from transportation developments and mining discoveries. In many of them the value of building permits during the year indicated quiet progress and in the following towns the amounts given are in each case considerably in advance of the 1905 figures: Belleville $600,000; Peterborough $615,000; Niagara Falls $600,000; Welland $450,000; Hamilton $2,124,815; Brantford $409,675; Paris $300,000; Guelph $500,000; Berlin $432,000; Stratford $435,000; London $1,200,000; Sault Ste. Marie $226,000.* The Mayors of Ontario cities during 1906, and of towns with more than 5,000 population in the Census of 1901, were as follows:

Place.	Name.
Toronto	Emerson Coatsworth.
Belleville	C. N. Sulman.
Chatham	W. S. Marshall.
Brantford	C. H. Waterous.
Guelph	George Sleeman.
Kingston	J. Macdonald Mowat.
Hamilton	S. D. Biggar.
London	Joseph C. Judd.
Niagara Falls	R. P. Slater.
Ottawa	J. A. Ellis.
Peterborough	Henry Best.
Stratford	W. J. Ferguson.
St. Thomas	C. Lawrence.
St. Catharines	Andrew Riddell.
Woodstock	John Butler.
Windsor	E. S. Wigle.
Berlin	A. Bricker.
Brockville	H. A. Stewart.
Owen Sound	J. T. Joyce.
Sarnia	D. Barr.
Galt	Dr. A. Thompson.
Sault Ste. Marie	J. H. Gimby.
Lindsay	Dr. A. E. Vrooman.
Ingersoll	J. P. Boles. J. Anderson Coulter.
Toronto Junction	Jesse Smith.
Barrie	D. Ross.
Collingwood	D. Wilson.
Fort William	E. S. Rutledge.
Port Arthur	George Clavet.
Pembroke	W. H. Bromley.
North Bay	D. Purvis.
Smith's Falls	A. Foster.
Haileybury	P. T. Lawlor.

* NOTE—The figures are compiled from estimates supplied to the Department of Labour, Ottawa.

In Quebec Province, aside from the City of Montreal, municipal conditions were uniform and quietly prosperous, with some special industrial development at places like Quebec City, Shawinigan, Three Rivers and Valleyfield. In Quebec City $289,000 worth of new buildings were erected in 1906 and the total trade of the port was $13,320,913 or an increase of some $800,000 over the preceding fiscal year. St. John's had a trade of $10,689,000 or an increase of $3,800,000. In Sherbrooke new buildings were erected worth $480,000 as against $260,000 in 1905. In the Province of New Brunswick local conditions were very quiet. St. John, as a port, had a large increase in its export and import trade during the fiscal year. The total was $24,859,799 or an increase of over $5,000,000. A Municipal Taxation Commission, composed of Messrs. J. H. McRobbie, T. H. Estabrooks and W. E. Stavert reported in November to the City Council a careful scheme for improving taxation. It stated the City assessment for the year as being $12,369,800 upon real estate and $12,186,000 upon personal property, etc., as compared with Halifax, N.S., where the figures stood, respectively, $15,212,150 and $4,909,000. The value of the new buildings erected was $306,550 or $80,000 in excess of 1905.

There was a good deal of specific prosperity in Nova Scotia during the year. In Halifax the business failures were placed at $92,200 as against $841,904 in 1905; the buildings erected and valued at $688,315 were ahead of the city's record; the total trade was $18,902,348 or an increase for the fiscal year 1906 of $2,300,000. Sydney had one of the most prosperous years in its history and the output of the Dominion Iron and Steel Company, the Dominion Tar and Chemical Company, the Sydney Cement Company and other large concerns was in advance of the preceding year. The number of vessels entering and leaving was greater and the cargoes larger. The total trade of the port in the fiscal year was $3,035,023 or an increase of $250,000. Its population had increased 10,000 in the preceding six years and its assessment was in the neighbourhood of $6,000,000. Yarmouth, also, had an increase in its trade of $100,000; Parrsboro' shipped 42,000,000 superficial feet of deal ends and scantlings—the largest in its history; Amherst had its factories working night and day, new industries were established, and $416,000 worth of new buildings erected; Sydney Mines prospered, with an estimated output of 800,000 tons of coal as against 560,000 tons in 1905; Glace Bay had its banner year, with a town grown to an estimated population of 15,000 people and 7 large and active collieries in its midst. The Mayors of the more important cities and towns of these Provinces during 1906 were as follows:

Province of Quebec.

Montreal ..... H. A. Ekers.
Quebec ..... Hon. S. N. Parent, J. George Garneau.
Sherbrooke .... John Leonard, K.C.
Westmount .... J. W. Knox.

Prince Edward Island.

Charlottetown .. James Paton.
Summerside .... H. H. Compion.

New Brunswick.

St. John .....Edward Sears.
Moncton .....Dr. E. O. Steeves.
Woodstock ....Donald Munro.
St. Stephen ....A. I. Teed.

Nova Scotia.

Amherst .....C. J. Silliker.
Glace Bay .....D. M. Burchell.
Kentville .....W. E. Roscoe, K.C.
New Glasgow ..George McDougall.
Parrsboro' .....H. S. McDowell.
Sydney Mines..John McCormack.
Truro .....W. K. Murray.
Pictou .....J. D. McLeod.
Windsor .....A. F. Armstrong.
Yarmouth .....S. C. Hood.
Wolfville .....W. M. Black.
Sydney .....C. P. Fullerton.
Halifax .....R. T. MacIlreith.

Western Municipal Progress in 1906

In addition to Winnipeg there was much that was striking and picturesque in the local details of Western expansion during the year. St. Boniface, so close to Winnipeg as to be almost a part of it, nearly trebled its population in three years and during 1906 erected many important buildings, spent large sums in improving its streets, fire-protection, water-works and sewer system, found its property values at a premium, and had a number of large industrial concerns selecting sites for factories. Brandon increased its population 85 per cent. in five years, directed its ambitions to the 20,000 point for 1910, boasted the establishment of three more wholesale houses in 1906 to add to its previous twelve, asserted the possession of 27 manufacturing establishments employing 350 hands or more each, and claimed to be the chief distributing point for agricultural implements in Manitoba. The assessment was $4,900,000 in 1905 and it was expected to be $7,000,000 in 1906. The Canadian Pacific Railway alone paid out $200,000 a month in wages. Permits were issued in 1906 for $698,672 worth of new buildings, while $120,000 was spent upon municipal improvements. Portage la Prairie increased its population in five years by 27 per cent., was the centre of an exceedingly rich agricultural country and now had railways radiating from it in every direction. A city charter and a population of 20,000 were the aims of its citizens and a Club for the purpose of aiding in this ambition was organized on Oct. 25th, 1906, with Mr. W. A. Vrooman as President and Mr. H. W. Webster as Secretary. A new era of activity developed during the year, real estate values increased and in many cases trebled or doubled, while wealthy farmers from the surrounding wheatfields continued to come in and maintain its reputation as a residential centre.

Regina, the capital of Saskatchewan, boasted itself in 1906 to be the centre of the most fertile area in Canada. So did other cities, without really detracting from the splendid resources surrounding each of them. It was certainly the great railway point in the Province and was environed by wheatfields averaging 27 bushels to the acre in 1905. Its total assessment in 1906 was $7,083,000 as compared with $3,904,000 in 1905 and $952,000 in 1901. Its railway revenue was estimated at $2,000,000 and its volume of wholesale business at $6,000,000. Money was voted for civic improvements on July 5th totalling $360,000 and the

buildings erected during the year were valued at $1,982,330. Real estate prices soared upward and the region around grew with its capital.

Prince Albert, in the northern part of Saskatchewan, was a centre of the lumber trade—where one firm in 1906 cut more than 20,000,000 feet—and of a fur trade estimated at a value of $300,000 per annum. During the year water, sewer and electric works were installed. Important agricultural lands west, south, and north, of the City were the scene of considerable development and the customs receipts rose from $9,121 in 1905 to $20,258 in 1906. It claimed for itself the title of "Gateway of the West" *via* Hudson's Bay and was the northern centre for several railways and projected lines. Saskatoon, another important town in this Province, made great strides during 1906. Beautiful in situation, the centre of a splendidly fertile region, with 600 carloads of settlers' effects leaving for the immediate vicinity in the spring of the year, alone, its growth out of the untilled prairie land of three years before was remarkable. Progress in population was about 2,500 per cent. in that time; some conditions were still primitive, but building operations were continuous and totalled at least $500,000 in the year; construction of municipal conveniences such as water and sewer works was carried on; real estate values increased, railways came in from several directions, the C. P. R. built repair shops and terminals and the local assessment jumped up to $2,500,000; an important city in the making was the record of Saskatoon in 1906. Its great event in the year was, however, the new City charter, prepared very largely by Mayor Clinkskill and steps were also taken to immediately install a municipally-owned electric plant.

Other towns of this Province progressed in leaps and bounds. Battleford, as the centre of 10,000 miles of tributary country still largely open for settlement, though with some 30,000 new settlers in the past three years, grew slowly but surely. Prices of land throughout its district rose steadily as settlers and production increased. Rosthern was the centre of another district in Saskatchewan which in purchase prices, fertility of soil, quality of wheat, convenient market, excellent roads and beauty of country, equalled most and excelled many in that Province. With one branch railway and the early prospect of two more, without bonded indebtedness and with an elevator capacity of 250,000 bushels and a surrounding production of 1,000,000 bushels of wheat, the town made marked progress during the year. Moose Jaw, with its four lines of connecting railways and rich surrounding wheat region carried out a vigorous publicity campaign during 1906. Its 2,000,000 bushels of production within a radius of 20 miles; its land values running from $10 to $30 per acre; its new buildings and increased population; were incidents and elements of current development.

Similar conditions and records might be dealt with in the

growth of Indian Head with its grist mill, its $1,178,000 of assessable property in 1906, its 12 elevators and 2,000,000 bushels of a local harvest; Davidson, newly incorporated, where three years ago there was nought but prairie; Yorkton, filled with the life of new settlers, visiting capitalists, and commercial travellers; Lloydminster, the now prosperous centre of a region noted for the struggles of the Barr colonists a few short years ago; Medicine Hat, with its plentiful natural gas, its street lamps burning day and night as being cheaper than the employ of men to put them out, and its bounding shipments of cattle, horses and sheep from a great ranching region; Dundurn, known for its foundation by ex-Senator E. J. Meilicke, of Minnesota, and owing much of its prosperity to his faith in the new country of his adoption; the progress of these and many more might be described if space permitted.

Coming to Alberta the capital demands first attention and its progress merits it. With a population increasing from 2,626 in 1901 to over 11,000 in 1905; an assessment from $1,390,000 to $6,600,000 in the same period and perhaps double the latter sum at the end of 1906; the sewers in operation expanding from none to 11½ miles and the water mains in the same way to 12¾ miles; a street-grading increased from 2¼ miles to 30 miles and plank-walks from about 5 miles to 32; this gives a striking picture of development. In 1906 (fiscal year) the customs receipts, mail parcels, and express parcels handled were all double those of 1905. The building permits of 1906 were $1,863,894 in value—a unique record for the population which by Census returns in this year was 11,530. The first six months of the operation of a clearing house, in July-December, showed returns of $17,127,000. Edmonton also owned and operated by 1906 its own water service, electric light plant and telephone system and was a divisional point of the Canadian Northern Railway.

Calgary was another and equally interesting centre of Albertan resources, production, distribution, transportation and progress during the year. A divisional point of the Canadian Pacific Railway it grew almost visibly in population from month to month; its wholesale houses enjoyed more business than they could handle; its manufactures, including immense flour mills, breweries, and railway shops, were more than prosperous; its surrounding cattle interests created wealth; it erected 385 new buildings, valued at $1,109,162, with $373,822 spent in repairs and alterations. Its dozen banks, 21 hotels and 49 real estate offices in July of the year under review were added to before its close and represented the character of its growing life. The assessment in 1906 was $7,786,921; the increase in population was, at least, 6,000 since 1902, and 10,000 if local and assured statements were to be accepted. A clearing house for the banks was established in April and for the 5 months of July to November the returns were $24,579,184.

Other places in Alberta grew with lightning rapidity. Lethbridge, with its surrounding wheatfields, prosperous irrigation farms, and great coal-mining industry had its advantages described as follows by an observer in August of this year: "Low price coal and plenty of it, close probability of operative natural gas, the special products indigenous to a cattle country; raw material for the manufacture of wood products (easily brought from British Columbia); opportunities just at present for a woollen mill, knitting mill, tannery, a shoe factory, and a packing house." A splendid electric plant and progressive iron-works were developing interests of the year. Red Deer, halfway between Calgary and Edmonton, with great possibilities of water-power in the river at its doors, with a property valuation of $880,000 in 1905 as against $561,000 in the previous year, with increasing population and railway facilities; Raymond, the seat of large cattle and ranching enterprises and the important Knight Beet Sugar industry; Strathcona, across the river from Edmonton, with its splendid position and surrounding country of richness, its growing industries and the coming of the main line of the Grand Trunk Pacific; Wetaskiwin, famous for its shipments of grain, and Lacombe and Stettler, all close together as prairie distances go, all on railway lines, and all growing with the greatness of their environment; Didsbury and Innisfail and Olds, the centre of a dairying industry which in 1903 boasted 50 per cent. of the Territorial output and which had been increasing ever since—Innisfail producing as much butter in six months of 1906 as in the 12 months of 1905; these are some of the places which, during 1906, grew in size, in buildings, in wealth, and in the comforts of life. Many more there were, such as Camrose, Nanton, High River and Okotoks in Alberta; others such as Vegreville, Alberta, born in November, 1905, and Neva, Saskatchewan, born in the succeeding year, and since developing with true Western speed. In Saskatchewan towns like Warman, Vermilion, Kamsack, Lashburn, and other places along the Canadian Northern, seemed to spring up in a night and be flourishing villages in a day.

British Columbia may, for many reasons, be included here as a Western Province. Some items of its municipal progress have certainly been of a Western character. Vancouver, which in 20 years had increased its saw-mills from 3 to 21, its salmon canneries from 12 to 38, its banks from 2 to 15, its factories and industrial establishments from nothing to 93 in number, added considerably to its estimated population of 50,000 during 1906. On March 13th a Hundred Thousand Club was organized to further the immediate ambitions of its people and on April 6th the City celebrated with vigour the 20th anniversary of its birth. With a splendid harbour and direct steamship communication with Chinese, Japanese, Australian, New Zealand and Pacific coast ports; with customs returns to March 31, 1906, totalling

$1,801,138 as against $992,462 in 1901; with the projected building of the Great Northern to Winnipeg, the coming of the Canadian Northern, and the construction of the Vancouver, Westminster and Yukon into the fertile valleys of the north; with fisheries and fruit and agricultural industries developing in the vicinity, or in the connected interior, Vancouver had every reason to be satisfied in this year of record. Its new building valuation of $2,653,000 in 1905 had been unprecedented in local history; in 1906 the total was $4,233,910. Its exports were $7,283,155 in the fiscal year or an increase of over $2,000,000; its imports $8,254,412 or an increase of another $2,000,000. Its clearing house returns for the year ending March 31st, 1906, showed an increase of $132,606,391 or 49 per cent.

Victoria, the capital of the Province, had every stimulus to progress. Money and residents came to it from the east and from the south; the C. P. R.'s promised development of Island lands induced great expectations, raised values of real estate and precipitated activity in sales; its clearing house returns increased from $36,890,404 in 1905 to $45,608,000. The beauty of the city from a residential standpoint became better and better known with the completion of the C. P. R. hotel *Empress* and the arrival of more visitors and tourists; its industries continued to develop with the passing year and in August there were 80 in number, employing 3,300 men, with a yearly pay-roll of $1,800,000. The estimated population at the close of the year was 30,000, the assessed valuation $18,136,154 and the total trade during the fiscal year $4,301,938. New buildings valued at $699,300 were erected in 1906 as compared with $554,250 in 1905.

Nelson was one of the rising new towns of the Province. Its land values rose during the year, its surrounding fruit lands increased enormously in value, its mines were prosperous, a civic power plant costing $200,000 was constructed and a 20,000 Club formed to increase its population to that figure. In New Westminster, the home of the salmon canneries, $200,000 worth of new buildings were erected during 1906, several large new industries established their plants, the coasting trade was good and some 9,000,000 feet of lumber was shipped, the four large sawmills had more work than they could do, real estate values increased about 25 per cent. in the year and an effort was made to draw general public attention to the lumbering and fishing interests, the important dock facilities, its industrial advantages and cheap available electric power. Vernon, situated in the beautiful Okanagan Valley, Kelowna, Fernie, Rossland and other places prospered during the year in accordance with the development of particular industries in which they were primarily interested—mining, fruit farming, fishing, agriculture or ranching. The Mayors of some leading Western towns in 1906, though rapid progress makes it almost invidious to omit many of the places from such a list, were as follows:

Mayors in Manitoba, 1906.

Place.	Name.
Winnipeg	Thomas Sharpe.
Brandon	J. W. Fleming.
Portage la Prairie	Edward Brown.
Carman	Thomas Kernighan.
Boissevain	A. R. Welch.
Melita	James G. Cheyne.
Neepawa	J. H. Howden.
Morden	S. Scott.
Souris	A. L. Young.
Minnedosa	W. H. Sparling.
Killarney	T. J. Lawlor.
Emerson	R. Hamilton.
Birtle	John Clemens.
Carberry	Dr. J. M. Eaton.
Dauphin	J. E. Hedderley.
Deloraine	J. E. Mathers.
Gladstone	R. Galloway.
Grandview	A. D. Cumming.
Hartney	J. A. Scott.
Rapid City	T. J. Butchart.
St. Boniface	A. Gauvin.

Mayors in Alberta, 1906.

Edmonton	Charles May.
Calgary	John Emerson.
Medicine Hat	F. G. Forster.
Red Deer	E. Michener.
Wetaskiwin	S. Swoboda.
Strathcona	W. H. Sheppard.
Macleod	A. F. Grady.
Olds	Wm. Dean.
Cardston	J. G. Hammer.
Fort Saskatchewan	W. T. Langworthy.
Lacombe	Wm. Burriss.
Okotoks	G. C. S. Paterson.
Ponoka	R. W. McKinnell.
Raymond	Geo. W. Green.
St. Albert	A. C. Hebert.
Lethbridge	George Rogers.

Mayors in Saskatchewan, 1906.

Regina	P. McAra, Jr.
Moosomin	Andrew Whyte.
Qu'Appelle	Dr. W. Henderson.
Saskatoon	James Clinkskill.
Wapella	W. J. Winning.
Battleford	R. G. Speers.
Carnduff	J. B. Preston
Wolseley	A. J. McPhail.
Prince Albert	J. E. Bradshaw.
Yorkton	Charles Beck.
Moose Jaw	Donald McLean.
Rosthern	John Hamm.
Estevan	Henry Yardley.
Indian Head	T. L. Mackay.
Lumsden	Andrew Blair.
Oxbow	E. O. Chappell.
Weyburn	H. D. McKinnon.

Mayors in British Columbia, 1906.

Victoria	A. J. Morley.
Vancouver	F. Buscombe.
Nelson	W. G. Gillett.
Revelstoke	J. McLeod.
Slocan	T. McNeish.
Rossland	P. R. McDonald.
Fernie	A. W. Bleasdell.
Nanaimo	A. E. Planta.
Kamloops	M. P. Gordon.
Grand Forks	Frank Hutton.
New Westminster	W. H. Keary.
Enderby	Geo. Bell.

Municipal Interests and Municipal Associations

The Union of Canadian Municipalities was active during the year and efficient along several lines of serious work. At a meeting of Montreal Island Municipalities on Feb. 10th, held under its auspices, Resolutions were passed asking protection for the "rights of the City of Montreal" in the Street Railway Bill then before the Legislature and supporting the principle of a measure regarding general municipal autonomy in respect to roads, streets and squares, promoted by Mr. G. Langlois. Mr. W. D. Lighthall, the Hon. Secretary, was authorized to present these views at Quebec and, on Feb. 23rd, reported that the Legislature had extended the reservation of the rights of Montreal to all the other Island municipalities; that the proposal, supported by the Union, of taxing franchises on the streets had been successfully maintained; that opposition had been organized to a couple of other measures affecting municipal interests. Under date of March 5th, 1906, the Union promoted a petition to the Governor-General, drawing His Excellency's attention to the following facts:

1. It is the unanimous sentiment of municipal authorities throughout Canada, and the general sentiment of the public frequently expressed by resolutions of public bodies and in the press, that each municipality should have the control of its streets, public places and the local franchises connected with the occupation of streets, subject only to the necessary rights of passage for companies whose operations require them to pass through a municipality or municipalities.

2. Infringements of this principle in favour of private companies have brought about great abuses and threaten much greater ones in the future.

3. Maintenance of this principle affords the only complete practical defence for the people against exactions in the shape of rates and service, and inconvenience in other respects.

4. The municipalities have frequently requested the restoration to them of the control of streets.

5. A Select Committee of the Manitoba Legislature, on the Telephone question, has recently reported that that Assembly should memorialize the Parliament of Canada not to increase the capital of the Bell Telephone Company, unless the said Company is willing to submit to municipal regulation and Provincial control.

On April 27th a large deputation, arranged by the Union, and including representatives from the Provincial Unions of Alberta, Manitoba and British Columbia; members of the Governments of Manitoba and Quebec; and delegates from the Cities of Toronto, Montreal, Winnipeg, Charlottetown, Quebec and Ottawa; waited upon the Prime Minister of Canada to press upon his attention the necessity of restoring to municipalities the control of their streets and preventing, in particular, the Telephone companies from tearing up streets for their poles and conduits. Mr. W. D. Lighthall introduced the delegation as being immediately concerned in the prospective passage of Telephone legislation; in the passage of amendments to the Railway Act affecting Telephones; and in the application by the Bell Company to increase its capital to $50,000,000. The conditions complained of were briefly indicated: "The chief difficulty is the intruding of certain private companies, more particularly the Bell Telephone Company, all over Canada, on the streets of the municipalities, and the latter find that this intrusion produces very serious disorder, without any consideration of the construction and cost of the streets, with a general defiance of the municipal authorities, a destruction of the advantages of autonomy and the control of rates and service and other things which flow from the possession of the streets." Other speakers were the Hon. C. H. Campbell of the Manitoba Government, Mayor Fleming of Brandon, Mr. M. S. McCarthy, M.P., of Calgary, Mayor Sharpe of Winnipeg, Messrs. H. H. Dewart, K.C., Toronto, and L. J. Ethier, K.C., Montreal. The Manitoba Government, in particular, wanted power of expropriation in long-distance lines, with the right to the municipalities of local expropriation. It was asked that any extension of powers to the Bell Telephone Company be given subject to the restoration of municipal rights by that concern. Sir Wilfrid Laurier promised full consideration of the matters dealt with by himself and his colleagues.

The 6th annual Convention of the Union took place at Halifax, on August 14th-16th, with Mayor MacIlreith as Chairman. In his Report the Honorary Secretary stated that many of the complaints made by the Union in its recent deputation to the Government had been met; that amendments to the Railway Act placed Telephones under the control of the Railway Commission, provided access for independent companies to the railway stations and for exchange of messages over long-distance lines, subjected the extension of telephone lines to municipal consent and reduced the request of the Bell Company for increased capitalization to $30,000,000. A large number of valuable papers were read and addresses delivered by, amongst others, the Mayors of Brandon, Ottawa, Toronto, Winnipeg, London, St. John, Calgary, Victoria, Neepawa, Regina, and Charlottetown. Resolutions were passed (1) declaring that where gates, subways or elevated tracks are required for public protection at the intersection of tracks and highways " the cost and maintenance of the same should be borne by the Railway Company and that no level crossings should be permitted in densely populated districts; (2) recording appreciation of the Telephone policy of the Manitoba Government and asking the Dominion Parliament to grant the Provincial Government power of purchase or expropriation in that Province; (3) asking the Dominion Government to amend recent legislation so as to provide for wide and complete interchange of business between Telephone companies—long-distance or local—on terms decided by the Railway Commission of Canada. Mayor Sharpe of Winnipeg was elected President, Mayor Coatsworth of Toronto, Vice-President, and Mr. W. D. Lighthall, K.C., of Montreal, Hon. Secretary-Treasurer, with an assistant Secretary to help him in the heavy duties which he had himself performed since the inception of the Union. A large number of Vice-Presidents were elected, representing the different Provinces.

The Union of Alberta Municipalities, organized late in 1905, was very active during the ensuing year under the guidance of its founder and President, Mayor Emerson of Calgary. In January a circular was issued by this gentleman describing the objects of such an Association in the West as follows: " (1) United efforts on the part of all municipalities in arranging for uniformity of assessment law; (2) the protecting of municipalities from encroachments on their rights by corporations and promoters; (3) enacting legislation on sound principles and as far as possible for the benefit of municipalities; (4) making better arrangements in reference to indigent persons chargeable to municipalities." On March 6th-7th the 1st annual Convention of the Provincial Union was held at Calgary and a constitution adopted. The Hon. A. C. Rutherford, Premier of Alberta, addressed the gathering, promised an early revision of the municipal laws and hoped to have the foundations well laid with a minimum of legislative tinkering and a maximum of simplicity in detail. Reso-

lutions were passed (1) protesting against existing Telephone rates and urging the Provincial Government to construct and operate long-distance lines; (2) asking that provision be made whereby the Provincial Government should become responsible for the maintenance of indigents coming into the Province; (3) demanding that a uniform Municipal Act be passed, with cities and towns allowed the right of separate charters suited to local requirements; (4) denouncing the use of cigarettes by youths and urging the restriction of sales, or the prohibition of importation into and of manufacture within, the Province; (5) urging the Provincial Government to support Manitoba in obtaining Telephone expropriation powers from Ottawa. A number of interesting papers were read—notably by Mayor Forster of Medicine Hat who declared municipal ownership to be an unqualified success in his town—by Mr. G. W. Greene, M.L.A., of Red Deer and Hon. J. S. Hall, K.C., of Calgary. Mayor Emerson was elected President, Mayor Michener of Red Deer, Vice-President, and Alderman C. MacMillan of Calgary, Secretary-Treasurer.

The Union of British Columbia Municipalities, on Feb. 12th, through its Executive approved a series of recommendations in connection with the Provincial Municipal Act, and presented them to the Municipal Committee of the Legislature, in part as follows: (1) An entire re-casting of the Act along Ontario lines; (2) power to levy a frontage tax on unimproved property against which water mains are being laid; (3) traders' licenses when levied to be upon a basis of rental value of premises occupied; (4) protection of municipalities against destruction of sheep and power to enforce destruction of noxious weeds. There were, in all, thirteen suggestions and six were embodied in the new Act. The annual Convention of the Union took place at Kamloops on Oct. 24-25 and Mayor Keary of New Westminster was elected President, Mayor Bell of Enderby Vice-President, and Mr. H. Bose, Reeve of Surrey, Hon. Secretary-Treasurer. Mr. Charles S. Stevens of Kamloops, the retiring President and founder of the Union, in his address defined the ultimate aim as being to secure for the municipal councils what they originally had in the Province—the power of governing their own internal affairs when not in conflict with Provincial interests. Resolutions were passed (1) sympathizing with Rossland in its efforts to collect taxes from the Mines and mining real estate within its limits; (2) favouring a Ditches and Water Courses Bill based upon Ontario law; (3) asking the Federal Premier to have a representative of the Labour Department sent to Fernie in the Coal strike matter. Papers were, also, read by Messrs. J. D. Swanson and C. L. Wain, C.E., of Kamloops, Mayor Morley of Victoria and Mr. Graham Rosman of Enderby.

A Union of Saskatchewan Municipalities was organized at Regina on Aug. 6-7-8, a constitution adopted and officers

elected as follows: President, Mayor McAra of Regina; Vice-President, Mayor Whyte of Moosomin; Secretary-Treasurer, J. Kelso Hunter of Regina. Resolutions were adopted as follows: (1) Declaring that the Municipal Act of the Province should be amended so as to give Councils the power to strike a maximum rate of 2 cents on the dollar exclusive of school rates; (2) requesting the Dominion and Provincial Governments to submit to the Union copies of all railway and other Bills, public or private, which affect the rights and privileges of municipalities; (3) asking the Provincial Government to financially assist hospitals for the sick, and to pass legislation levying upon all cultivated lands in the Province for the purpose of maintaining blanket hail insurance upon such lands; (4) declaring that fines levied for convictions under the Criminal Code should go into Municipal funds and that witness fees and those payable to Justices of the Peace be paid by the Government; (5) asking the Provincial Government for local officials to help in enforcing contagious quarantine regulations; (6) declaring that Municipalities should have full and exclusive control of their streets and roads; (7) declaring that the railways of Canada should be compelled to bear the whole cost of making and maintaining all overhead bridges, subways and other crossings of the railways subject to the decision of the Railway Commission.

At Halifax, on Aug. 15-16, the Union of Nova Scotia Municipalities was formed, a constitution was adopted and the officers elected included Mayor MacIlreith of Halifax as President and Mayor Fullerton of Sydney as Vice-President. Delegates were present from all the Maritime Provinces and the question of forming a general Maritime Association was discussed but no action was taken; nor were any special resolutions passed. Meanwhile, after several preliminary gatherings in different towns, over 100 delegates from Western Ontario met at Galt, on July 24, and organized the Western Ontario Municipalities Niagara Power Union with the object of co-operating in gathering information as to Niagara power, obtaining it in the cheapest way possible, taking advantage of the new Act and the Hydro-Electric Power Commission's functions to hasten power distribution, getting estimates and prices of the power, and helping to obtain support of municipalities concerned in the passage of necessary by-laws and contracts. The Convention was addressed by Hon. Adam Beck and a strong Committee selected with Ald. J. H. Fryer of Galt as President of the Union, Ald. F. T. Matthews of London, Vice-Chairman and Ald. J. W. Lyon of Guelph as Secretary-Treasurer.

On Aug. 29-30 the 13th annual Convention of the Ontario Municipal Association was held at Toronto, with Comptroller W. P. Hubbard of that City in the chair. Hon. Adam Beck addressed the Convention and papers were read by Messrs. W. B. Mickel of Belleville, J. W. Lyon of Guelph, James C.

Forman of Toronto, John T. Hall of Hamilton, F. Cook of Ottawa. The officers elected included Mayor Ellis of Ottawa as President; Mr. D. M. McIntyre, K.C., of Kingston, 1st Vice-President; Ald. Neil Cooper of London, 2nd Vice-President; Mr. H. H. Beam of Welland County, 3rd Vice-President; Mayor Sleeman of Guelph, 4th Vice-President; Mr. K. W. McKay of St. Thomas as Secretary-Treasurer. Resolutions were passed recommending that the Municipal Act be amended so as to allow municipalities upon a two-thirds vote of the Council to construct sewers; to make it clear that municipalities might contract for electric or other power or gas for any purpose; to enable municipalities to build a street railway where one was already in operation so long as existing contracts were not violated; to give power to construct conduits instead of street wires where poles were objectionable and to charge reasonable rental for the same.

It was also urged that indigent persons not resident for a year be maintained by the County; that the Conmee Act be repealed so far as to enable municipalities to buy or expropriate gas, light, or water plants; that legislation making municipalities responsible for accidents on highways be repealed; that Counties should have power to assess gas-pipe, etc., on country roads; that the entire vote on money by-laws be based upon property-owners *plus* the declared tenants; that persons whose taxes are overdue should not be eligible for municipal councils; that municipalities should have power to grant land for all public libraries or mechanics' institutes; that Councils should have power to secure a uniform bread-loaf and that all tax exemptions should be abolished; that subways under railway tracks should be constructed at the expense of the Railway corporations; that Provincial legislation be sought to enable City Councils to open or extend streets upon the local improvement plan on a two-thirds vote and despite petitions against such action; that the Legislature be asked to permit municipalities to lease or purchase electric power for carrying on a general electric-lighting business.

The Union of Manitoba Municipalities, through its Executive Council on Jan. 25th, discussed proposed amendments to the Municipal law with the Provincial Government; and met the University of Manitoba Council in order to discuss with that body the advisability of the University selling its lands in the various Municipalities. A joint Resolution was passed in favour of examination of the lands and of selling them at an upset price on ten years' time. The 3rd annual Convention of the Union was held at Portage la Prairie on Nov. 6-7-8, with Mayor Fleming of Brandon in the chair. After various papers had been read an address was delivered by Hon. C. H. Campbell, reviewing at length municipal conditions and policy—common interests, municipal rights and functions, widening powers, finance and accounting problems, public ownership utilities and Telephones. The following day was largely given up to the subject of Government-

owned and controlled Telephones and the Provincial Government's policy in this respect. Mr. F. Dagger, an expert along these lines, addressed the Convention as did Hon. C. B. Cheadle of the Illinois Independent Telephone Association, ex-Congressman E. H. Moulton of Minnesota, ex-Mayor Dyke of Fort William and Hon. J. B. Ware of the Michigan Telephone Association.

All of these speakers were enthusiastically in favour of the Provincial Government's policy but were followed by Mayor Fleming in an elaborate, closely-reasoned speech of criticism, caution and objection. As he was a Liberal in politics and Mr. Dagger one of the chief Government speakers in the pending plebiscite campaign, the political issue at once came to the front. On Nov. 8th the discussion was closed by the adoption of a long Resolution approving the principle of a public-owned and operated Telephone system for the Province; recommending the people to vote favourably in the coming municipal plebiscite upon the question; approving the action of the Legislature in this respect but suggesting amendments to the Legislative enactments and appointing a Committee to confer with the Legislature upon the subject in detail. This motion was carried by 89 votes to 16. It was, also, decided that rural municipal councils should be allowed to levy frontage taxes; that there should be a law as to compulsory school attendance; that a Commission should be appointed to inquire into Fire Insurance rates and companies; that there should be a Government system of hail insurance. Mr. R. C. Cochrane, Reeve of Blanchard, was then elected President; Councillor F. J. C. Menlove of Virden, Vice-President; Councillor John Cardale of Blanchard, Secretary-Treasurer; and Mr. Mayor Fleming, Hon. President.

On Dec. 6th, a number of delegates from Municipalities lying between Sault Ste. Marie and Sudbury met at the former place and organized the Advisory Union of Algoma Municipalities with Dr. J. H. Gimby, Mayor of the Sault, as Chairman. The object of the Union was to provide means of placing the needs of the district before the Ontario and Dominion Governments in as forcible a manner as possible. Resolutions were passed urging the Dominion Government to grant $300,000 for a trunk line from the Sault to Sudbury and to have the Garden River Indian Reserve opened for agricultural settlement.

Policy and Proceedings of Canadian Boards of Trade

Representing, as these individual organizations did, the various and varied lines of business activity and municipal development throughout Canada during the year, a record or summary of their work and views is of value from many standpoints. At the annual meeting of the Toronto Board of Trade on Feb. 9th Mr. J. D. Allan, the retiring President, referred to the Board's policy in favouring preferential trade arrangements with Great Britain along the line of Mr. Chamberlain's pro-

posals; asking the Dominion Government to disallow laws for taxing commercial travellers passed by British Columbia and Quebec; and urging the Government to redeem worn and mutilated silver. In August the annual Report of the Board, prepared by its Secretary, Mr. F. G. Morley, was published with most elaborate detail as to the City and its progress.

At a meeting of the Berlin Board on Jan. 11th the President, Mr. C. H. Mills, stated that 300 new residences and a number of new factories had been erected during the past year and urged special Dominion legislation enabling the town to grant fixed assessments and to sell factory sites at a nominal price to new industries. The Brantford Board was as active as usual and, on Feb. 20th, heard an address from Mr. John T. Hall, Assessment Commissioner of Hamilton, upon the new Provincial Assessment Act and its workings. On March 9th it tendered a most important banquet to Dr. Alexander Graham Bell, a native of the city, and the inventor of the Telephone. As he also indicated in his speech, Brantford was the birthplace of the first idea and the first experiments, the home of the solution of the problem. Mr. John Muir, the President, was in the chair and amongst the speakers of the occasion were Messrs. J. S. Willison and W. K. McNaught, M.L.A., of Toronto, W. F. Cockshutt, M.P., and Mayor C. H. Waterous of Brantford. A week later a meeting was held to discuss and approve plans for the adoption of a local drainage scheme which, however, suffered defeat at the polls shortly afterwards. At the annual meeting, on April 17th, the President was able to report the construction of several new factory buildings and the improved equipment of other concerns.

In the address of President D. Hughes Charles at the annual meeting of the Peterborough Board on March 6th, the story was one of progress. Extension of industries, such as the Canadian General Electric Company and the American Cereal Company; erection of 250 new houses and 5 miles of new cement sidewalks; a reasonable certainty of the early completion of the Trent Valley Canal; these were some of his subjects. The Sault Ste. Marie Board of Trade, early in the year, approved a Memorandum of policy in connection with Northern Ontario, which was of some interest (Toronto *Globe,* May 5th). It urged the Dominion and Provincial Governments to lend $1,000 to each actual settler who might hereafter locate on land within 12 miles of the Trans-continental Railway through New Ontario; and instanced the policy of Great Britain in Ireland, of New Zealand, Japan and the Argentina, in the promotion of settlement and land-ownership. The Presidential address of Mr. J. W. Lyon, in Guelph on June 18th, referred to the local benefit derived from owning all public utilities except the Telephone; anticipated good returns from the Guelph Junction Railway, out of which the City received 40 per cent. of the gross earnings as based on tonnage and mileage;

hoped for better returns from the Street Railway, the Electric Light and Gas Works owned by the City; declared Guelph to be seriously discriminated against in the freight rate on soft-coal; urged more new industries and expressed a belief in free sites, fixed assessments and well-secured loans where necessary.

A Resolution was passed expressing confidence in the Hydro-Electric Power Company and the hope that Niagara power would soon be distributed to the municipalities. On Dec. 18th the same Board passed a Resolution in favour of the local by-law authorizing a City contract for Niagara power; another in favour of the City's Council's action in promoting by-laws to place the Waterworks, the Gas, and the Electric Light works in the hands of Commissioners to be elected by the people; and one in favour of a City by-law lending $25,000 to the Morlock Bros. firm. At the annual meeting in September of the Fort William Board of Trade President S. C. Young had much to say of the progress and prosperity of the town. Western settlement, railway construction, industrial demands, surrounding resources and many other influences were, he declared, lending themselves to the advancement of Fort William. The local problems of the near future included the dredging of the Kaministiquia and Mission outlets; the general improvement of the harbour and port; the work of utilising the water power at Kakabeka Falls, 16 miles away, and now ready with its electrical energy for development; the increase in the hotel accommodation of the city. Reference was made to the completion of the Ogilvie's immense mills on the Kaministiquia, with a capacity of 3,000 barrels a day.

The annual meeting of the Montreal Board of Trade took place on Jan. 30th and was notable for the speech of Mr. W. I. Gear, the retiring President, in which he boldly appealed for free trade within the Empire; opposed the operation of minimum and maximum tariffs and of any talk as to United States reciprocity; declared the Labour agitator to be a danger to the Dominion; drew attention to the flooding of Canada with United States literature; described the ubiquity of the United States commercial traveller, and the comparatively slight knowledge existing between the Canadian East and West; urged Montreal merchants to be up and doing in the struggle for Western trade; advocated the making of Montreal a free national port and the making of free canals a permanent instead of yearly matter; supported the Georgian Bay, French River and Ottawa Canal project; urged a fast Atlantic mail service and the encouragement of a better class of immigrants; suggested the better education of the masses in order to avoid such Labour conditions as were now developing in England. A Resolution was passed asking the Government to construct a railway line connecting Montreal with the Trans-continental Railway.

In March a Memorial was addressed by the Board to the Min-

MR. R. J. HUTCHINGS.

President of the Calgary Board of Trade, 1905-6.
President of the Western Boards of Trade Convention, 1906.

MR. W. S. FISHER.

President Maritime Provinces Boards of Trade Convention, 1906.

ister of Marine and Fisheries, asking the Government to assume the existing obligations of the Montreal Harbour Commissioners and the cost of maintaining the port; to abolish harbour dues and make the port a national one; to have projected improvements pushed to completion; to entirely re-organize the Harbour Commission. On June 20th, the Council of the Board protested vigorously against a proposal to build the branch line of the Grand Trunk Pacific through the town of Joliette—involving, it was claimed, the side-tracking of Montreal and the adding of 50 unnecessary miles to the route between Montreal and the main line. On Dec. 12th the Council listened to Mr. Richard Grigg of the British Board of Trade and passed the following Resolution: "The success of the policy of appointing Commercial Agents in the principal cities of Canada will largely depend upon such agents being constituted under a superior officer who should reside in Montreal, the commercial metropolis, and who should devote all his time and energies to his official duties." During the year, also, a Memorial was presented to the Dominion Government supporting the claim of the Provincial Governments to increased Dominion subsidies. La Chambre de Commerce of Montreal, at its annual meeting on Jan. 31st, elected Mr. C. H. Catelli, President. On Sept 19th it passed a Resolution asking the Dominion and Provincial Governments to consider the granting of a subsidy toward the creation of a commercial course in connection with Laval University and, on Oct. 10th, declared by Resolution that there was no necessity for the City to impose new real estate taxes; suggested the appointment of a Commission of three persons to grant contracts and overlook the execution of Civic work; asked for a revision of the local valuation roll and for inspection of electric wires, elevators, etc., for purposes of revenue; and proposed new plans for a local improvement system.

In Quebec City the Board of Trade had much to do during the year with local transportation interests—the plans for extending harbour facilities, the projected entrance of new Railways into the City, the coming of the Canadian Pacific and Allan Liners to the Port. In this last connection the banquet to Sir T. G. Shaughnessy, on May 19th, was notable and included 300 representative guests and local leaders in every line of life and work. President G. E. Amyot occupied the chair and the speakers included Mr. William Power, M.P., Hon. S. A. Fisher, Minister of Agriculture, Mr. R. L. Borden, M.P., Hon. L. P. Brodeur, Minister of Marine, Hon. R. Lemieux, Postmaster-General, Hon. C. Fitzpatrick, Minister of Justice, Lieut.-Colonel S. Hughes, M.P., Mr. Molson Macpherson and Senator Landry.

The Board of Trade at St. John joined Montreal in asking to be made a free national port and, on Oct. 2nd, passed a strong Resolution along this line, demanding also from the Government

the "immediate provision of facilities for winter port traffic." A re-affirmation was also made of the declaration that preferential duty rebates of 33⅓ per cent. "should only apply on goods imported through Canadian ports." In his annual address on Dec. 6th, the retiring President, Mr. H. B. Schofield stated that a joint Committee from the Board and the City Council were at work upon a report dealing with the nationalization of the port; that within a short time power for manufacturing purposes would be brought from Grand Falls; that several new industries were negotiating with a view to coming to the city but would require investment of local capital.

In Halifax, the annual meeting took place on June 16th, when the Council's Report described the advantages of the City as a port and harbour; stated that the Canada-Mexico Line and the Canada-France Line had decided to make it their terminal in the winter months; referred to the progress of improvements in piers, wharves, tracks, etc., as satisfactory; urged the application of the Preference only to goods imported through Canadian ports; declared that the local high price of coal was injuring the business of the port and deprecated the class of boats run upon many of the steamship lines out of Halifax; deplored the character of the mail service between Canada and Great Britain; expressed the hope that the line location of the Trans-continental between Quebec and Moncton would involve the shortest possible mileage; and presented the possibilities of Halifax as an industrial centre—especially in steel ship-building. At a meeting on Oct. 10th, the Council of the Board protested against any inter-Provincial taxation of commercial travellers and asked the coming Provincial Conference to deal with the subject. During the year the Board received favourable replies to its request for support, in urging the Government of Canada to grant a bonus in aid of steel ship-building, from the Boards of Trade at Lindsay, Sault Ste. Marie, Winnipeg, London and Montreal, Chatham, N.B., New Westminster and Rossland in British Columbia, Selkirk and Gladstone in Manitoba and Dawson, Y.T.

The Charlottetown (P.E.I.) Board of Trade held its annual meeting on Jan. 10th and the retiring President, Mr. D. Nicholson, spoke of the standing complaints as to winter communication with the mainland and the grievances of land shippers in connection with Prince Edward Island Railway freight rates. With these points President Agnew of the Alberton Board also dealt strongly on Jan. 12th. The latter particularly urged the construction of a tunnel to the mainland. The Board of Trade at Souris passed a Resolution of regret at local railway conditions on March 3rd and the Alberton Board did the same on Oct. 18th. The Presidents of the more active Boards of Trade in the five older Provinces of Canada during 1906—or elected in that year —were as follows:

Ontario.

Board of Trade.	President.
Ottawa	Denis Murphy.
Berlin	D. B. Detweiler.
Galt	J. H. Fryer.
Fort William	J. R. Lumby.
Port Arthur	George Mooring.
Brockville	J. H. Gilmour.
Belleville	R. J. Graham.
Cornwall	P. E. Campbell.
Brantford	Ald. Sanderson.
Peterborough	D. Hughes Charles.
Woodstock	John White.
Guelph	J. W. Lyon.
Kingston	W. T. Minnes.
St. Thomas	W. H. Murch.
Ingersoll	Geo. Sutherland.
Hamilton	F. R. Close.
Toronto	Peleg Howland.
London	Arthur White.
Latchford	J. C. Patterson.
Lindsay	John Carew.
Windsor	J. F. Smythe.
Stratford	C. McIlhargey.
Sarnia	J. Ross Geddes.
St. Catharines	J. C. Notman.

Quebec.

Montreal	F. H. Mathewson.
Quebec	Geo. E. Amyot.

Nova Scotia.

Halifax	A. M. Bell.
Annapolis	T. C. Whitman.
Truro	G. A. Hall.

New Brunswick.

St. John	J. H. McRobbie.
Moncton	J. T. Hawke.
Chatham	W. B. Snowball.
Fredericton	George Y. Dibble.

Prince Edward Island.

Charlottetown	W. F. Tidmarsh.
Alberton	John Agnew.
Summerside	Neil McQuarrie.
Souris	H. J. Acorn.

The Western Boards of Trade have problems to deal with of a more distinctive character and uniform type than is the case in Eastern Canada. They nearly all want municipal prominence and population, while many are still evolving the services of popular comfort or necessity which are a commonplace in old and settled eastern districts. The progress, however, is phenomenal and it will not be long before all but the up-springing towns of a single year will have these elements of civilization at their fullest command. In Manitoba the Winnipeg Board naturally takes the lead in public affairs. Its Council on Jan. 15th discussed the question of compelling insolvent merchants to protect their creditors and it was announced that the Provincial Government would be asked for legislation to this end; and that the Board was working with that of Regina in an effort to obtain a uniform Assessment Act for the three Western Provinces.

During the annual meeting of the Board the retiring President, Mr. A. L. Johnson, delivered an elaborate address reviewing Western condition and progress. He discussed the complicated detail of freight rates and the action of the Board upon several occasions; declared they now had in Winnipeg the best and most up-to-date fire protection; urged uniform Dominion insolvency legislation and Western Provincial uniformity as a step in that direction; described the importance of legislation regarding dishonest traders; expressed the belief that Manitoba would eventually receive a reasonable extension of boundaries; stated that the Minister of Public Works had pledged himself to the early completion of locks at St. Andrew's Rapids; declared that in order to make Winnipeg a large industrial centre cheaper power must be obtained by utilizing some of the many water powers on the Winnipeg River; urged the necessity of a perman-

ent and better water supply for the City; supported the proposal for a civic Board of Control and for reforms in the Municipal business tax. On April 27th the Board appointed a Committee to investigate certain railway conditions respecting responsibility for the protection of freight at the point of debarkation and, on June 25th, held a special meeting in favour of a City by-law providing for the construction of an electric power plant under municipal ownership and control—which eventually passed. At a later meeting Resolutions were approved endorsing the establishment at The Hague of a permanent Court of Arbitration; and appointing Committees to advocate the principles of international arbitration.

At Brandon, on Feb. 20th, the annual meeting of the local Board evoked an address from President John Inglis, which depicted active building operations, increasing land values, ready sales of building lots; claimed the City to be the key and centre of the Manitoba wheatfields and the natural distributing point of the West; referred to the increasing population, assessment and revenues; regretted the high freight rates but rejoiced over the coming in of the Hill System via the Brandon, Saskatchewan and Hudson's Bay Railway. On May 22nd, a special Committee was appointed to take up the Union Station matter with the Railways and a Publicity Committee was also appointed to advertise the position and prospects of Brandon. The Calgary Board of Trade met on Jan. 16th and refused to pass a Resolution describing the desirability of railway competition and appointing a delegate to be sent to St. Paul to urge upon Mr. J. J. Hill the immediate extension of his system to Calgary. Dr. Lafferty and Mr. James Short supported the motion and it was opposed by Messrs. A. E. Cross and R. J. Hutchings as unnecessary, in view of a preceding delegation, and by Mr. R. B. Bennett on the ground that every effort should be first made to get the Canadian Northern Railway and the Grand Trunk Pacific. An unanimous invitation, however, was extended to Mr. Lewis Hill to visit Calgary and be the guest of the Board.

Mr. R. J. Hutchings, the retiring President, in his address referrred to the increasing settlement of wholesale and manufacturing enterprises in the city; urged the necessity of a publicity campaign for making Calgary better known as a field for investment and opportunity; claimed for the City the future of being the great milling centre of Alberta and the West; and congratulated the people upon the completion of irrigating works in the neighbourhood sufficient to supply 110,000 acres. An address was issued to the public asking for $15,000 or more to advertise Calgary and pay for the continuous work of an active Secretary; proposing to erect a suitable building for the Board and urging that by 1910 the City should have at least 50,000 people within its bounds. On March 27th the Board was granted $5,000 by the City Council to aid in its work during 1906 and an organized

effort was made to collect a further and larger fund for the same purpose. Mr. C. W. Peterson, who acted for a time as Secretary, had to resign later in the year and was succeeded by Mr. E. L. Richardson.

The Regina Board of Trade held its annual meeting on Jan. 11th and the Report showed prosperity "by leaps and bounds," large increases in population and land values, new warehouses and increasing trade, many new buildings and a completed sewerage, drainage and water supply; referred to the hoped-for coming of the Canadian Northern and a branch line from the Grand Trunk Pacific and to some rate concessions from the Canadian Pacific Railway. A protest was made against the continued unsatisfactory nature of local Postal conditions. Later in the year a Publicity Commission was created for the purpose of making the City and its advantages known. In Moose Jaw the annual Report presented to the Board on Jan. 8th showed a wheat production of 2,000,000 bushels, within the district of which it was the centre, valued at about $1,500,000. New buildings, large expenditures on public works and railway extension, and the work of Mr. Hugh McKellar as Publicity Commissioner were the features of the document. At Saskatoon, the Board of Trade meeting on Jan. 23rd dealt chiefly with the appointment of a Commissioner who should devote his entire time to the work of serving the town and making it known. Canadian Pacific freight rates on the Prince Albert line also came in for criticism. At a banquet in the evening guests were present from all over the West and intense optimism was the dominant note of all the speeches.

Edmonton took action along the lines of other cities mentioned, on Feb. 27th, when the local Board of Trade held its annual meeting. Mr. A. B. Campbell, the retiring President, referred to the coming of the Canadian Northern Railway and described the Alberta capital as now a commercial metropolis for an immense territory; as the beneficiary of an enormously rich agricultural country and the centre of immense deposits of coal and natural gas; as having an ideal opportunity for becoming the industrial centre of the West. The Board was re-organized into special Committees, or sections, and Mr. F. T. Fisher, the energetic Secretary, was re-elected with increased powers and remuneration. A special meeting of the Board was held on Oct. 31st to hear an address from Mr. F. B. Girdlestone, General-Manager of the Bristol Docks, England, in which he referred to the shipping accommodation of Canadian ports as insufficient in the present and totally inadequate in the near future. Of other Western Boards of Trade new ones were formed during the year at Lumsden, Minto, Humboldt, Pincher Creek, Claresholm and Howard. The Boards in Macleod and Medicine Hat joined other places in organizing publicity campaigns. Of the British Columbia organizations the Kamloops Board asked the Dominion

and Provincial Governments to aid in promoting a supply of labour to the Province; the Fort Steele Board wanted renewed Provincial aid to the Kootenay Central Railway; the New Westminster Board protested vigorously against the interim Report of the British Columbia Fisheries Commission and asked the Dominion Government for aid in making their Bridge across the Fraser free of tolls; the Greenwood Board endeavoured to get the Great Northern Railway to build into that town.

The Vancouver Board's annual meeting took place on March 6th. Mr. A. B. Erskine, the retiring President, mentioned the chief points of policy in the Board's recent record—including endorsement of the projected Coast and Kootenay Railway and of one from Vancouver to Fort Macleod via Howe Sound, Lillooet and Cariboo; approval of Reciprocity in trade and tariffs with Australia; endorsement of efforts to prevent smuggling in certain districts; support for a faster mail service between Vancouver, Seattle, and Kootenay; advocacy of correct and easily available information prepared by the Dominion Government for the encouragement of settlement in the vacant lands of the Railway belt; urging the Provincial Government to give more definite information regarding unoccupied lands and to have some road-making and land clearing done in the District of South Vancouver; endorsement of a better system for the protection of life and property on the west coast of Vancouver Island; urging the equalizing of freight rates from Coast cities to Calgary and Lethbridge with those obtaining from Winnipeg. Mr. Erskine also referred to the successful fishing year; to the higher prices for lumber and the opposing influence of increased prices for all kinds of supplies *plus* the competition of United States saw and shingle mills with products coming in free while Canadian lumber had to meet a United States duty; to the progress in mining development, in agriculture, and in transportation—especially the near realization of all-rail communication with the Kootenays through Mr. Hill and the Great Northern. A Resolution was passed endorsing the Dawson Board of Trade in its effort to get the Dominion Government to install, or help in the installation, of a water system for hydraulic mining purposes in the Yukon. A strong protest was made against the plans for construction of a local Post Office. At a later date this was renewed and the Dominion Government was also called upon to abrogate the Orders-in-Council under which the United States then shared in the coasting trade of the Province without reciprocity in regard to the Alaskan coasts.

At the meeting of the Victoria Board on April 20th, President T. W. Paterson reported action taken by the Council to guard the City against an inferior steamship being placed on the Sound route; to improve conditions in connection with life-saving on the coast and marine insurance on vessels using the inside route to Nome, Alaska; to support the Dawson Board in its

efforts for better water supply in hydraulic mining. On July 5th a Memorial to the Dominion Premier was approved which presented elaborately the conditions surrounding the question of bridging the Seymour Narrows and thus connecting by rail the Island and the mainland. Preliminary surveys and action were urged as desirable at once. The 27th annual meeting took place on July 13th and the retiring President's report declared that Vancouver Island possessed much timber of a high quality; that copper and copper-gold ores were widely distributed and that, in addition to prosperous coal mining, iron and lime had been discovered within easy distance of deep water; that one-third of the Island's 16,000 square miles could be utilized for agriculture while apples, pears, cherries, plums and other small fruits grew to perfection in its soil.

Mr. Paterson then dealt with the policy of the Board in making public the accessibility, freedom from fogs, and general value of Victoria Harbour, and the necessity of deepening and improving its facilities; in urging the abolition of compulsory pilotage at the ports of Victoria and Esquimalt; in protesting against the difficulties imposed upon ship-builders by the admission of ships free of duty; in opposing the alleged Canadian Pacific Railway discrimination in freight rates against Coast cities and in favour of Winnipeg; in supporting the other Coast Boards of Trade in asking for a reciprocal duty upon United States lumber and protesting against any duty being imposed on tin-plate; in obtaining permission to operate fish traps on the south shore of the Island. On Sept. 6th a Resolution was passed asking the Board of Trade of the United Kingdom to appoint a trade correspondent in Victoria; on Oct. 12th the Dominion Government was asked to grant a subsidy for carrying mail between Victoria and the Sound to some Canadian steamboat company and offering to support the Canadian Pacific in this connection if that Company would continue its service in the winter and make Tacoma a port of call; on Dec. 6th the Dominion Government was memorialized in the matter of United States vessels and the Coasting trade; on Dec. 13th Resolutions were passed urging that Victoria be made a free national port and that an immediate and thorough Federal survey should be made of the Seymour Narrows route. The Presidents of the chief Western and British Columbia Boards of Trade during the year, or elected in that period, were as follows:

Manitoba.

Board of Trade.	President.
Winnipeg	Andrew Strang.
Carberry	W. J. Smale.
Minto	E. T. Johnson.
Roblin	J. A. Gill.
Selkirk	J. Grisdale.
Portage la Prairie	A. L. Hamilton.
Emerson	Chas. Aimi.
Carman	H. E. Robinson.
Brandon	K. Campbell.

Alberta.

Board of Trade.	President.
Calgary	C. W. Rowley.
Edmonton	A. T. Cushing.
Strathcona	J. H. McDonald.
Claresholm	W. A. Cornwall.
Pincher Creek	H. E. Hyde.
Leduc	C. E. A. Simmonds.
Didsbury	J. E. Stauffer.
Nanton	H. M. Shaw.
Red Deer	G. A. Love.

Saskatchewan.

Board of Trade.	President.
Regina	W. G. Pettingell.
Moose Jaw	J. R. Green.
Indian Head	J. A. MacCaul.
Saskatoon	F. R. Oliver.
Rosthern	J. M. Hackney.
Lumsden	Dr. Boyd.
Humboldt	E. T. Wallace.
Heward	T. W. O'Harrow.
Battleford	H. C. Adams.
Yorkton	M. A. Eby.
Prince Albert	R. H. Hall.

British Columbia.

Board of Trade.	President.
Victoria	J. A. Mara.
Vancouver	R. P. McLennan.
Rossland	K. E. Mackenzie.
Fort Steele	Dr. Hugh Watt.
Greenwood	W. T. Hunter.
Moyie	R. Campbell.
New Westminster.	D. S. Curtis.

Yukon Territory.

Dawson	Frank Lowe.

Questions of Municipal Ownership and Control

The public ownership of utilities greatly interested the people of Canada during 1906 both as a theoretical and practical question; in its application to Dominion conditions, Provincial affairs and Municipal interests. The most prominent instance of actual development was with the Telephone in Manitoba, along Provincial and Municipal lines, and this is dealt with in connection with the affairs of that Province. But almost everywhere in Canada the question was discussed and in many municipalities it was put into operation in relation to water-works, electric lighting and similar matters. Government control of the Intercolonial Railway was canvassed in various ways; the Ontario Government passed a good deal of legislation which squared with the popular idea of guarding public interests against financial corporations and facilitating the acquisition or control of utilities by municipalities; the Dominion Government dealt with an important issue in regard to the Bell Telephone Company; the Quebec Legislature passed a Resolution asking the Government to carefully consider the possibility of taking over a sweeping array of properties and undertakings, running from electric traction to the sale of liquor; the British Columbia Legislature discussed the Provincial assumption of control over Telephone lines; that of Alberta dealt with the same subject; and the City of Toronto asked the Federal Government to take over the Bell Telephone Company service.

This latter Company and its public policy constituted an essentially municipal question. At the annual meeting of the Company on Feb. 23rd the receipts for the calendar year 1905 were stated at $3,517,595 and the operating expenses at $2,615,276; the stock account at $8,604,840 and the bond account at $2,325,000; the value of plant and patents at $11,184,135; the expenditure as being $2,000,000 on new work during the year; the total number of instruments earning rental as 78,195 with 526 exchanges and 959 agencies. The addition of 12,035 new subscribers and the operation of 37,082 miles of wire were also announced. A proposal to ask Parliament to increase the capital of the Company from $10,000,000 to $50,000,000 was approved. On the other hand it was stated in Parliament and elsewhere that the independent Telephone companies were rapidly increasing

in importance and area of work. According to the Secretary of the Independent Telephone Association (Sept. 15th, 1906) there were 73 systems absolutely independent of the Bell Company with 3,248 shareholders and 6,427 subscribers on Aug. 15th, 1905, with 12,073 a year from that date and an invested capital of $850,000. These figures were not complete, as many Companies had not reported, but they indicated the progress of the movement amongst the municipalities.

When the Bell Telephone Company's Bill came before Parliament, in charge of Mr. Jacques Bureau, it was critically discussed. The provision was simply to enable the Company from time to time, by vote of its shareholders, to increase the capital stock to $50,000,000. It was stated before the Railway Committee, on May 9th, that $4,500,000 would be expended by the Company during the current year upon new or enlarged operations; that in the next ten years $21,000,000 would be expended on subscribers and exchanges; $33,000,000 on underground conduits and $11,000,000 on long-distance service; that the present capital investment by Provinces in the Company was $5,500,000 from Ontario, $4,500,000 from Quebec, $2,000,000 from Manitoba and $300,000 from the other Western Provinces. The municipalities, represented by Mayor Coatsworth of Toronto and others, objected to the increase of capital until the Company would agree to conditions securing to municipalities a proper control of their own streets. They also asked for municipal power to purchase, by expropriation, local telephone systems operated by the Company; under a by-law passed by Council and approved by the ratepayers with the amount of payment to be decided by arbitration. Other deputations were heard by the Government and the Committee and, finally, the total capitalization of the Company was fixed at $30,000,000 and the Government announced, through Mr. Fitzpatrick, a measure placing all Telephone Companies under the authority of the Railway Commission.

Under the terms of this legislation, which eventually became law, the Municipalities were given the right of appeal to the Railway Board and the Companies the same right in case of any continued disagreement. During the passage of the measure a conflict took place as to the power of the Board to order a Telephone Company, such as the Bell, to make long-distance connections with municipal telephone systems. Eventually, however, this authority was granted, subject in certain cases to terms of compensation. Messrs. W. F. Maclean, H. Bourassa, and Arch. Campbell fought for a full interchange of business between companies but were unsuccessful. The regulation that Telephone companies using the streets of cities, towns and villages must get the consent of the Municipal Council was extended to include incorporated villages. The general effect of this legislation was described by the Winnipeg *Free Press* (Oct. 6th) as along the lines of public ownership of all Telephone systems. "Its whole

principle and purpose is to prevent the unnecessary duplication of telephone lines and to facilitate and promote the creation of various systems, municipal, Provincial, or independent, and the merging of all telephone systems together as a common public utility, thus making ready for the coming of the day of expropriation."

In connection with these questions British experiences were being constantly quoted. It was pointed out that in the year 1903-4 the municipal authorities in England and Wales alone had $935,000,000 of outstanding loans raised for purposes of municipal ownership in all kinds of productive or unproductive undertakings and utilities. Of this sum $350,000,000 was for water-works, $115,000,000 for gas-works, $108,000,000 for tramways, or street cars, and light railways, $110,000,000 for electric lighting, $65,000,000 for public baths, markets and cemeteries, $200,000,000 for harbours, docks, quays, canals, etc. Statistics and conclusions as to the profit, or otherwise, of these concerns varied greatly but there was no doubt as to the growing alarm concerning the enormous public responsibilities which were thus being assumed. There was a tendency, in Canada, to quote Great Britain as an instance of the beneficial operation of public ownership; the United States as an illustration of the opposing principle of private ownership *plus* monopoly. In this general connection valuable addresses were delivered before the Empire Club of Toronto by Mr. John Z. White of Chicago on Feb. 1st, 1906, and by Mr. W. Richmond Smith on Feb. 22nd. The latter speaker presented his general standpoint as follows:

> The question whether a municipality should create and conduct public services outside water and sewage cannot be decided upon any consideration of principle. It is simply a matter of business and public expediency. What the public has a right to expect is that it should get the greatest possible return from the capital invested in what is essentially a business enterprise owned, established and conducted for the ratepayers. Under exceptional circumstances it is quite possible to conceive of a municipality creating and conducting its essential public services along business lines, which would ensure a better service and a larger monetary return than could be obtained from a private company working the same enterprise under a terminable lease. It must be admitted, however, that experience has shown that elected Municipal Councils, even in the Mother Country, are not able to secure as satisfactory results from the conduct of commercial enterprises as can be secured by well organized private companies. The reasons are many and obvious. In the first place a commercial enterprise conducted by an elected Council, which is continually changing its *personnel*, cannot have the same continuity of policy and the same determined and persistent striving along well-thought-out and permanent lines. In the second place an elected Council, which owes its existence to the popular vote of the ratepayers, including the customers and employees of the enterprise, is compelled continually to sacrifice what it knows to be sound business methods of management to public opinion.

On the other side Mr. F. S. Spence delivered an elaborate address before the Canadian Club, Orillia, on Feb. 27th in

which he vigorously attacked financial corporations and alleged monopolies and proceeded as follows: "There are services which cannot be carried on under the competitive plan. For instance you cannot have competition in supplying a city with gas if you have any regard to efficiency and economy. It would not do to have two gas plants and two sets of mains. That would mean the unnecessary duplication of an enormous investment. Services of this kind are called natural monopolies. This natural monopoly must be operated either by the public for themselves or by a private individual or corporation for gain. If it is given to a private corporation you give them the power to tax the whole community. They can give you a poor service and you are at their mercy. These natural monopolies should be owned, controlled, and operated by the people, the municipality, or government, for the benefit of the people. An excellent example of successful operation of a natural monopoly is the Post Office." In this general connection the Hon. A. J. Matheson in his Ontario Budget speech (Feb. 28th) stated some important facts and issued an incisive and valuable warning:

> In cities in Ontario other than Toronto the indebtedness increased, from 1903 to 1906, by $7,000,000. In towns and villages it increased from $16,150,000 to $21,792,000, an increase of $5,600,000, or one-third in three years, and the rate of interest was higher during that period. This indebtedness was incurred largely for lighting, waterworks, pavements, roadways, and other projects. Now we believe in municipalities to a reasonable extent owning public utilities, but as we have seen in the case of the London County Council it is possible to go beyond all bounds. I know towns and cities in this Province which are doing that. They are paving back streets, tearing up good sidewalks and spending money wastefully. It is all very well where you get a Commission in charge composed of men big enough to do the work properly, but in many cases the result is that the municipalities are conducting these things with a loss of money in their operations. I think it is my duty to call attention to these things, not for the purpose of putting a stop to the spread of public ownership, but in order that our people should be more careful and take more interest in municipal affairs.

Meanwhile, many other incidents had taken place along the lines of public or municipal ownership. On Jan. 18th the County and Township Councillors of Waterloo, Ontario, passed a Resolution declaring that all public utilities should be operated by the people and that a Provincial Telephone service should be established in the special interest of the farmer and rural counties; in the Toronto bye-election to the Legislature both candidates favoured public ownership of telephones, telegraphs, etc.; in Montreal, *La Patrie* on Jan. 9th, declared in favour of a municipal gas plant; Dunnville, Ontario, undertook to operate a similar plant; in St. John, N.B., discussion brought out the apparent fact that its municipal utilities—harbour, ferry service, market and electric lighting—were run at a loss of $37,000 a year; in Port Hope, Ontario, a Municipal lighting by-law was defeated on July 4; in Ottawa, on July 16th, the City Council voted an exclusive

franchise for 5 years to the Bell Telephone Company subject to cancellation at the end of 2 years; in Brantford, during December, both candidates for Mayor endorsed the principle of municipal ownership; throughout Ontario it was very generally approved in connection with the Niagara Power question.

An official return was prepared for the Nova Scotia Legislature during 1906 which showed that 19 towns in the Province were operating waterworks and 4 were also operating electric light plants. The total capital and borrowed money in these cases was $1,828,154 on Dec. 31st, 1904, and out of the 19 towns 9 showed small profits and 10 had small losses on the operation of the utilities mentioned. The general condition of the larger of these places on Dec. 31st, 1905, was as follows:

Town.	Assessed Valuation.	Debt.	Estimated Value of Property owned by Corporation.
Amherst	$2,617,905	$325,700	$308,000
Antigonish	452,315	48,500	67,000
Bridgewater	612,421	124,960	125,000
Dartmouth	2,033,740	382,426	478,100
Glace Bay	2,651,962	567,823	555,593
Kentville	526,270	59,668	65,000
Liverpool	665,000	151,780	163,366
Lunenburg	1,130,861	167,050	215,000
New Glasgow	1,696,273	312,795	322,800
North Sydney	1,810,950	310,500	274,500
Parrsboro'	759,284	93,000	105,000
Pictou	1,089,885	239,613	235,582
Springhill	744,220	141,000	150,000
Stellarton	566,250	101,000	102,700
Sydney Mines	1,045,723	78,500	91,000
Truro	1,620,080	345,909	341,200
Westville	448,700	76,091	.....
Windsor	1,253,139	117,600	175,000
Wolfville	539,441	83,000	95,000
Yarmouth	3,837,315	445,000	557,000

VI.—IMMIGRATION AND LABOUR CONDITIONS

Progress of Canadian Settlement and Population

The figures of the Census for 1891 showed a total Canadian population of 4,833,239 and that of 1901 5,371,315. In 1906 there were at least 6,000,000 people in Canada and they were being added to by a steady and increasing flow of immigrants. The total settlers coming in between the fiscal years 1900-1 and 1904-5 were 521,489, of whom more than 150,000 were from the races of continental Europe—including 34,289 Galicians, 17,288 Hebrews, 19,827 Italians, 12,858 Russians and 7,973 Swedes. From the United States came 182,729 persons. For the fiscal year 1905-6 there was a further increase of 42,000 over the previous year, which had been the largest on record. In 1904-5 the British immigrants numbered 65,359 and, in 1905-6, 86,796; those from continental Europe, etc., numbered, respectively, 37,364 and 44,472; those from the United States 43,543 in 1904-5 and 57,796 in 1905-6. The total grew from 146,266 to 189,064. The following table illustrates Canadian growth in this connection during a single decade:

Fiscal Year.	From British Isles.	From Europe.	From United States.	Total.
1895-96	12,384	4,451	...	16,835
1896-97	11,383	7,921	2,412	21,716
1897-98	11,173	11,608	9,119	31,900
1898-99	10,660	21,938	11,945	44,543
1899-00	5,141	10,211	8,543	23,895
1900-01	11,810	19,352	17,987	49,149
1901-02	17,259	23,732	26,388	67,379
1902-03	41,792	37,099	49,473	128,364
1903-04	50,374	34,785	45,171	130,330
1904-05	65,359	37,255	43,652	146,266
1905-06	86,796	44,349	57,919	189,064

There was some speculation as to the relative proportion of United States and British immigration during this and immediately preceding years. Senator McGregor, in Parliament on March 12th, 1906, stated that of the 128,000 declared settlers, in 1902-3, 32 per cent. were British and 38 per cent. United States; in 1903-4 out of 130,000 declared settlers 39 per cent. were British and 35 per cent. United States; in 1904-5, out of 146,000 such settlers, the proportion was, respectively, 45 per cent. and 30 per cent. In 1905-6 there was, again, an increase in the British percentage. Speaking at Montreal of Canada's prosperous condition, and the continuous increase in its population, on Jan.

11th, Lord Strathcona predicted that by the end of the century there would be 80,000,000 people in Canada or double the present population of the British Isles. Apart from immigration the natural increase of the population was considerable and the following table of figures for the different Provinces in the Census of 1901, as made public in 1906, may be given:

Province.	Proportion per 1,000 per Year. Births.	Deaths.	Increase.
The Territories	31·96	11·90	20·06
Manitoba	31·07	12·21	18·86
Quebec	36·28	18·54	17·74
New Brunswick	25·98	11·54	14·44
Nova Scotia	23·29	11·61	11·68
Prince Edward Island	21·07	11·50	9·57
Ontario	23·91	15·24	8·67
British Columbia	15·36	9·78	5·58

It was, of course, in the Western Provinces that this growth of population was the most striking and rapid. According to the Interior Department Report, published in April, 1906, out of the total number of free homestead entries, since the adoption of the system in 1874, 111,115 were recorded in the five years ending June 30th, 1905, with 88,863 entries for the preceding 26 years. The acreage of the grants in these five years totalled 17,778,400. The homestead entries at 15 centres in the West—including British Columbia—increased from 26,513 in 1904 to 34,645 in 1905. A Census of the North-West Provinces, including Manitoba, Saskatchewan and Alberta, was taken in 1906. It showed a total increase of population from 419,512 in 1901 to 808,863 in 1906; an increase for Manitoba from 255,211 to 365,688; an increase for Saskatchewan from 91,279 to 257,763; an increase for Alberta from 73,022 to 185,412. The Western proportion of the sexes to one another in 1901 was a total of 190,558 females to 228,954 males and in 1906 of 342,608 females to 466,255 males. The figures of growth in the towns of the three Provinces were as follows:

19 Manitoba Towns.

Increase, 61,163, or 89 per cent.

	1901.	1906.		1901.	1906.
Brandon	5,620	10,408	Pilot Mound	446	589
Carberry	1,023	1,111	Portage la Prairie	3,901	5,106
Carman	1,439	1,530	St. Boniface	2,109	5,119
Dauphin	1,135	1,670	Selkirk	2,188	2,701
Gladstone	731	828	Souris	839	1,413
Gretna	666	646	Stonewall	589	1,074
Killarney	585	1,117	Virden	901	1,471
Manitou	617	717	Winnipeg	42,340	90,153
Minnedosa	1,052	1,299			
Morden	1,522	1,437			
Neepawa	1,418	1,895	Totals	69,121	130,284

15 Saskatchewan Towns.

Increase, 16,734, or 153 per cent.

	1901.	1906.
Alameda	104	333
Arcola	129	652
Carnduff	190	491
Davidson	....	520
Indian Head	768	1,545
Moose Jaw	1,558	6,249
Moosomin	868	1,152
Oxbow	230	527
Prince Albert	1,785	3,005
Qu'Appelle	434	778
Regina	2,249	6,169
Saskatoon	113	3,011
Wapella	397	459
Whitewood	359	501
Wolseley	409	935
Totals	9,593	26,327

17 Alberta Towns.

Increase, 27,997, or 181 per cent.

	1901.	1906.
Calgary	4,091	11,967
Cardston	639	1,001
Edmonton	2,626	11,167
Frank	19	1,178
Fort Saskatchewan	306	585
High River	153	1,018
Lacombe	499	1,015
Leduc	112	391
Lethbridge	2,072	2,313
Macleod	796	1,144
Medicine Hat	1,570	3,020
Ponoka	151	473
Raymond	....	1,568
Red Deer	323	1,418
Stafford	....	623
Strathcona	1,550	2,921
Wetaskiwin	550	1,652
Totals	15,457	43,454

Some of the places mentioned were dissatisfied with these figures—notably Calgary, where a population was claimed running from 14,000 to 18,000. In Ontario there has not until very lately been much direct encouragement of immigration. In 1883 a total of 27,119 was the highest figure reached in a long period and between 1892 and 1902 the totals ran down to four or five thousand a year. The Ontario Bureau of Colonization was, however, organized by the Government in 1899 with Mr. Thomas Southworth as Director and with the object of facilitating and directing land settlement in the newer regions of the Province. Information was supplied, pamphlets issued, conditions of settlement arranged and improved. Attention was particularly directed to the Temiskaming, Thunder Bay and Rainy River districts and, by 1906, settlers found difficulty in obtaining suitable locations. Despite the yearly exodus of farmers' sons and farm employees to the West the increased immigration which followed these efforts more than maintained the normal increase of population. In 1902 the total immigration was 11,944; in 1903 19,808; in 1904 24,072; in 1905 34,958; and in 1906 it had increased to 57,744—of whom 33,824 were English, 7,103 Scotch and 2,560 Irish.

In his last annual Report to Lord Strathcona, as Commissioner of Emigration in Great Britain, Mr. W. T. R. Preston on Sept. 4th, 1906, reviewed the emigration from Great Britain and the continent since 1897 when Canada had received 11,000 British immigrants and about the same from the continent to 1900 when the numbers were, respectively, 10,000 and 19,000 and then to 1906 when the British immigrants had leaped up to 86,000 and the continentals numbered 44,000. During this last fiscal year the port of Quebec received from these sources, the United States, and elsewhere, 71,440 of the total number, the port of

Halifax 23,525, the port of St. John 15,336. The United States ocean ports received 18,109 emigrants from Canada and Winnipeg, with its outposts, received 47,761 immigrants from the United States. Of the total body of immigrants coming into Canada by the ocean ports 38,594 were agriculturists, 31,110 general labourers, 36,085 mechanics, 7,360 clerks, 6,343 female servants and 3,142 miners. The Provincial destination of 51,111 of these was stated to be: Ontario 24,766; Quebec 29,413; Manitoba 7,313; Saskatchewan 5,671; Alberta 6,627; British Columbia 6,353.*

An important official change took place in the transfer of Mr. Preston to the Commercial Agency field and the appointment of Mr. J. Bruce Walker, Canadian Government Agent for Scotland, to succeed him with the designation of Assistant Commissioner of Emigration. The official Report (1906) of Mr. W. J. White, Inspector of United States Agencies, showed a system of persistent education being carried on from Maine to California, from the Dakotas to Florida. On the other hand various State organizations had been brought into existence for the purpose of retaining their people; newspapers had been subsidized to publish articles detrimental to Canada; holders of large tracts of land in different parts of the States, especially in the south and west, had at their back the combined influence of railroads and Governments. All these factors were felt, as they carried on a propaganda of United States advertising that was not attempted a year or so ago, while American agents were scattered everywhere. The net result of the Canadian work was, however, very satisfactory. Mr. J. Obed Smith, the Commissioner at Winnipeg, reported that at no time during the year, despite the inrush of immigrants, had the supply of labour "equalled the demand." The harvest help coming in, he said, had numbered during 1905 17,749 persons. The figures for 1906 are not yet available.

The Indians of Canada continued to slowly improve during the year in their general condition, although showing no marked desire for enfranchisement or decisive change in their tribal customs and ties. On June 30th, 1906, there were amongst them in all Canada 228 day schools, 50 boarding schools and 23 night schools. Of the total schools 104 were Roman Catholic and 89 Church of England. The number of students upon the roll included 5,214 boys and 4,874 girls. The Indian lands sold during the fiscal year totalled 38,033 acres and realized $365,684. In Ontario and Quebec the Indians sold beef during the year totalling $115,786; farm products realizing $457,515; earned wages totalling $1,044,213; made by fishing, hunting and trapping the sum of $302,311; made by other industries $223,067; and earned a total income for all work done of $21,188,414. In the same Provinces they owned live-stock and poultry valued, on June 30th, 1906, at $542,745; agricultural implements worth

* Note—Department of the Interior Report, 1905-6, pages 5 and 13.

$367,846; public buildings worth $240,880; lands under cultivation of 127,500 acres and cleared, but not cultured, of 116,000 acres. According to the annual Census of the Department of the Interior there were in 1906 14,525 Indians belonging to the Church of England, 11,546 to the Methodist Church, 34,967 to the Roman Catholic Church, 10,551 Pagans and the rest scattering in their religious tenets, or unknown, or too young for enumeration. The Indian population of 1905 and 1906 was as follows:

Province.	1905.	1906.	Province.	1905.	1906.
Ontario	20,850	23,728	Saskatchewan	None	7,425
Quebec	11,218	11,307	Alberta	None	5,512
Maritime Provinces	3,980	4,164	Outside Treaty Limits	22,084	20,714
British Columbia	25,142	24,997			
Manitoba	6,870	8,074			
North-W. Territories	17,493	3,473	Totals	107,637	109,394

Immigration Conditions, Progress and Incidents

Shiploads of people landing at Canadian ports and carloads of people crossing the country from the ports to the prairies were amongst the signs of Canadian progress in 1906. The Salvation Army sent out organized, selected and most useful bodies of settlers; the demand for farm labourers in the summer was partly met but was too great to be altogether satisfied; the requirements for domestic servants were innumerable and were only partially met. The arrival of so many Englishmen aroused the old-time controversy about the alleged unadaptability of their characters and the rudeness and crudeness charged against many Canadians. The East Indian migration into British Columbia aroused keen discussion while the Labour question, with the enormous demands of the Railways for construction purposes and the needs of the manufacturers for industrial purposes, made immigration one of the vital questions of the day. Upon this point Sir William Van Horne voiced a good deal of quiet public opinion in the Montreal *Star* of July 27th: "What we want is population. Labour is required from the Arctic Ocean to Patagonia, throughout North and South America, but the Governments of other lands are not such idiots as we are in the matter of restricting immigration. Let them all come in. There is work for all. Every two or three men that come into Canada and do a day's work create new work for someone else to do. They are like a new dollar. Hand it out from the Bank and it turns itself in value a dozen or more times in a year."

The Government was, meanwhile, doing a good deal to encourage immigration by the work of its Immigration Agents in the United States and Great Britain and upon the Continent as well as by the copious diffusion of descriptive literature. Upon the matter of encouraging mixed races to come to Canada Mr. J. Obed Smith, Immigration Commissioner at Winnipeg, wrote to the *Farmer's Advocate* of Jan. 17th, pointing out that in 1904 95,000 out of 130,000 Canadian immigrants had been English-speaking while to the United States, in the same year, had come

515,000 Italians, Russians and Austrians out of a total of 812,000. The answer to this was that no encouragement should in any case be given to mixed immigration and that forced assimilation of such populations, large or small, tended to lower the standards of education, living, morality and industrial efficiency. In this respect the Minister of the Interior spoke on his return from Great Britain (Sept. 24th) very clearly: "From my observations on the Continent and in Great Britain during my visit I am convinced that if we can get the right class of British immigrants from the Old Land, they are preferable as Canadian citizens to immigrants from the Continent. The Englishman, Irishman, Scotchman, comes to Canada practically a ready-made citizen; he is of the same race and speaks the same language as Canadians. Therefore, he is preferable."

One of the factors in immigration work and promotion was the Western Canadian Immigration Association which held its annual meeting at Winnipeg, on Feb. 14th, with Mr. D. W. Bole, M.P., in the chair. He described their object as being the creation of the right kind of "atmosphere" in the North-Western States to bring about the right kind of migration to the Canadian West. They had spent $20,000 in the past year and they had $50,000 more in sight. Mr. Theodore M. Knappen, the energetic Secretary, presented an elaborate Report and defined the work of the Association as being along the following lines: "Direct contributions by the Secretary to newspapers and magazines; personal work with newspaper-men for the purpose of interesting them in Western Canada; encouraging Canadian newspaper-men to supply the American press with news and feature articles; bringing special correspondents of American papers into Western Canada; distributing bulletins and printed matter to American publications; using a regular periodical in which to appeal to the editors of the United States; instituting a weekly department in a commercial publication devoted to the development news of Western Canada; conducting a general news and information bureau for journalists and magazine writers; maintaining a general information bureau for the benefit of the general public; contradicting false reports and correcting erroneous statements appearing in the American press as far as possible; direct advertising."

It was decided to continue the work two years longer and the officers were re-elected including Mr. Bole and Mr. Knappen and Messrs. W. Georgeson and G. F. Carruthers of Winnipeg, and Grant Robinson of St. Paul, as Vice-Presidents. An incident in this general connection was an attack by Mr. Mayor McAra of Regina upon the policy and usefulness of the Association and a long-range battle of criticism and reply which was settled by the Regina Board of Trade (March 2) supporting the Association's request for a grant from the Provincial Government. On May 29th, Mr. Knappen resigned his position and Mr. Herbert Vanderhoof, of the Chicago *Inter-Ocean,* was appointed in his place.

The gain from American migration to Canada was very great. If the United States farmer coming across the border brought with him an average of $1,000 per head of his family—and many of them brought more—it meant the acquisition of over $200,000,000 by Canada in hard cash since 1900, to say nothing of values in brain and labour. In freight, alone, according to a calculation by Mr. J. J. Hill the influx of 50,000 persons would mean a yearly gain to the Railways of $1,000,000. An incident of the year in Immigration matters was the Parliamentary and popular discussion of the bonuses paid and results reached in connection with the North Atlantic Trading Company. Without going into the political issues, which were discussed in Parliament on April 20th, 24th, 26th and May 1st, 4th and June 4th, it may be said here that Mr. Oliver, Minister of the Interior, stated the total payments to the Company, 1901-6, to have been $241,097; that the settlers upon whom the bonus was paid totalled 46,719 in the 4 years 1901-5; that they came from continental Europe and chiefly from Russia, Austro-Hungary, Germany and Sweden.

On April 6th a large and influential delegation, representative of important Montreal interests, waited upon the Prime Minister at Ottawa to ask the practical and financial support of the Government for the objects of the Canadian General Service and Colonization Company, Limited. The objects of the Company were to assist in securing a desirable class of immigrants, settlers and investors for Canada; to judiciously and persistently advertise the resources, advantages and possibilities of the Dominion abroad; to assist in promoting the export trade of Canada and to render such general services as would be of benefit to the commercial, agricultural, mining, manufacturing and industrial interests of this country. It proposed, amongst other things, to establish a permanent Exhibition Hall in New York City for the display of Canadian resources, products and manufactures. Sir Wilfrid expressed sympathy with the general scheme and promised to consider it with the Minister of Agriculture.

The Salvation Army was instrumental in bringing out many thousands of excellent immigrants during the year and Commissioner Coombs told the 24th annual Congress of Army Officers, in Toronto on Oct. 10th, that they wanted a hand in this present making of a nation. "Of the great influx of population it is a remarkable thing that of the English-speaking people who have come the Army has brought 1 in every 13. This year, in the business just commencing, it is expected that one in every eight of the English-speaking immigrants will be brought by the Army. We are taking a great hand in the building of this country. We want not only people who will assimilate with the people of the Dominion but men of good physique who at least believe in God." British Columbia was promised, toward the close of 1906, a substantial share in the Army's work of the coming year. Some 800 immigrants were also assisted to Canada by the Central Emigration Board of Great Britain which administered a large fund

for the purpose and had Sir C. Kinloch Cooke as Chairman. It was expected to send out 10,000 persons in the summer of 1907.

In the Province of Ontario there was much complaint as to the wholesale migration westward of its farming population in summer—many of them to stay. An illustration of this occurred on Aug. 14th, when 81 coaches left North Bay with 4,226 Ontario people going to help in the Western harvest and thereby depleting the farms of Ontario to a considerable extent. It was also difficult, despite the efforts of the Ontario Colonization Department to meet the demands of the farmers or for the latter to often obtain even temporary labour on account of the greater attractions of free lands and high wages in the West. Yet, according to Mr. Southworth's own statement, the Colonization Department succeeded in placing 15,000 men on the farms of Ontario up to the middle of the summer while the Salvation Army placed another 5,000 and the Dominion Government was responsible for about 2,000. "I find," said Mr. Southworth, "that experienced men coming from the Old Country have an idea that they will get extravagant wages here. An ordinary Scotch farm-hand, single, expects $35 a month and board. No agricultural workman from England or Scotland is worth that when he first comes here. He has to get accustomed to our methods of farming before he is at all comparable to a Canadian farm-hand."

In the Maritime Provinces, unfortunately, any accretion of population was not apparent and the leaving of the younger men for the Canadian West or the American East was still a problem. Immigrants, also, did not usually stop in any of these Provinces but went through to some other part of the country. A few of the Salvation Army settlers did, however, stay in 1905 and 1906 and more were promised for the succeeding year. Yet the resources and natural beauties of this Atlantic portion of Canada were great enough to deserve some more attention. Western Canada, during this year, proved the success of the Killarney Colony in Manitoba which was established in 1888 for Highland crofters and cotters under special advances to individuals from funds provided by the Imperial Parliament. A similar settlement at Saltcoats failed owing to the crofters preferring to work for others. Eventually, however, most of them did well and all the moneys were, by 1906, duly returned to the Commission in charge of the matter.

Progress in British Columbia cannot be said to have been very great in matters of population though towards the end of the year it was announced that the Provincial Government was taking vigorous steps to encourage special British immigration to the Province. Complaint was made in some newspapers that the Dominion Land Offices at Kamloops and New Westminster were not sufficient in number and their work inefficient in character for the Province as compared with what was done by the Interior Department in and for the new Western Provinces. It was also pointed out that, whatever the reason, the great railway belt of the

Province embracing all the territory for 20 miles on each side of the Canadian Pacific from New Westminster to the summit of the Rocky Mountains, a distance of 400 miles, and containing 16,000 square miles, or 10,240,000 acres, was still undeveloped—in large part, it was claimed, because the land was unsurveyed and proposed settlers could not, therefore, get Dominion licenses for the lands. By the close of the year, however, it was announced that a very complete system of surveys had been completed.

Of one kind of immigrant British Columbia had enough, or at least heard enough, during the year. The East Indian or "Hindoo" influx was exaggerated and misrepresented as a matter of course; but there were enough elements of difficulty in the matter to make controversy inevitable and even prejudice not unreasonable. The coming of these natives of the Punjaub began in the summer and continued till late in the year—totalling some twenty-two hundred in all. Picturesque in clothing, immovable in caste and religious ideas, ignorant of the language, unable to eat much of the food offered, unaccustomed to the changeable climate, they were not easy to manage or to settle at work—although Canadian wages seemed enormous to men accustomed to eastern rates. Many of them did not come direct from India—at least at first—but *via* Hong Kong and Chinese ports where they had been working. At the end of October an envoy reached Victoria to look into the condition of the men and he wrote to the press in the Punjaub, as well as to that of Bengal which he represented, advising that no further emigration be encouraged.

Meantime it cannot be said that the reception accorded to these fellow-subjects of the people was cordial; in some cases it was unkind and in a few isolated cases positively brutal. The Labour unions were particularly stirred up in the matter and also some of the politicians. Employers were inclined to welcome the new arrivals and they were found to do fairly good service in the lumber mills though it seemed a debatable point as to their being equal to the Japs or even the Chinese. Upon the Railways they found ready work and Sir T. G. Shaughnessy stated in a press interview on Dec. 21st that he was glad to welcome the Hindoos to Canada. "We are anxious to see this country populated, and there is a dearth of men fitted for farm, mine, and railroad requirements in British Columbia and the country will suffer if labour remains as scarce as it has been. Restrictions have been placed on Chinese and in view of this and the shortage of labour we should welcome the Hindoos." The chief real argument against them, however, was their alleged inability to stand the climate. This was denied by Mr. Saint N. Sing, an Indian journalistic visitor of the year, who declared that parts of the Punjaub were severely cold at certain periods. He added during addresses in various parts of Canada vigorous protests against the reception given these men—many of them formerly soldiers of the King and all of them influenced, he claimed, by their traditional and very sincere loyalty, in seeking work in a British country.

During the Session of the Dominion Parliament a consolidation and amendment of existing Immigration laws was effected after they had endured the changing conditions of 35 years. Much discussion took place and varied alterations in detail were made. As finally enacted a number of important clauses were included dealing with the prohibition and deportation of undesirable immigrants. Besides prohibiting the landing of insane, epileptic, diseased, pauper and criminal immigrants the Government was given power to deal specifically with any class of persons whom it might be deemed desirable to exclude. Immigration officers were empowered to act as a Board of Inquiry in individual cases and an appeal was allowed to the Minister of the Interior. Transportation Companies were made responsible for deportation of prohibited immigrants within two years of landing. The Government was also given power to regulate admission according to amount of money held by the immigrant. Medical inspection at port of entry, detailed provisions for protection and shelter of immigrants in port, and immediately after landing, and the provision of penalties for offences against the law were enacted.

Labour Issues and Conflicts with Capital

One result of general conditions of increased population and high prices in Canada was the demand for higher wages during 1906 and the more frequent organization of Labour unions together with a greater number of strikes. The Labour organizations formed in the year numbered 154 as against 103 in 1905 and those dissolved were 85 as compared with 105 in 1905. Of the Unions formed in the year under consideration 44 were in the building trades, 18 in the metal trades, 19 in transport matters and 11 in the textile industries. In strikes or lockouts the record was 138 in 1906 as against 87 in 1905. The number of work-people involved directly was 21,607 and indirectly 4,408; and the chief trades concerned were mining, with 13 disputes, building with 29, metal-working with 21, transport with 1. As to causes 55 disputes were due solely to a demand for increased wages; in 27 disputes this was a contributory cause; and in 13 recognition of the Union was a contributory cause. During the year 130 disputes definitely terminated—three of them through the intervention of the Department of Labour; 67 by negotiation between those concerned; 18 by replacement of men; and 28 by work resumed on employers' terms without negotiation. Of the total number 45 ended in favour of employers, 41 in favour of employees and 13 by compromises.

The more important of these strikes included one of rolling mill hands at Montreal involving 1,175 employees; a strike of coal miners at Springhill, N.S., involving 1,500 men; and those in the building trades of Winnipeg and Toronto in which 4,000 and 1,800 workmen were, respectively, concerned with much incidental inconvenience to individual citizens. The coal miners of Fernie and Michel, B.C., numbering 1,600 workmen, struck on Sept. 22nd and held out until Nov. 13th. A strike amongst 600

Toronto piano-workers lasted 4 months. The coal miners' strikes at Lethbridge, Alta., that of the saw-mill hands at Buckingham, Que., and the street railway troubles in Winnipeg and Hamilton were most serious in their effect upon public interests and, in each case, the Militia had to be called out to assist the Municipal authorities.

On March 6th 500 coal miners at Lethbridge went on strike because their employers, the Alberta Railway and Irrigation Company, refused to accept an agreement involving recognition of the Union, a check-off system, an eight-hour day, an increase in wages, the hearing of grievances by a Joint Committee of employees and officials, and other demands. The production at these mines was about 200,000 tons in 1905. In June the employees offered to arbitrate but the Company had re-commenced operations in a somewhat ineffectual way with non-unionist and unskilled miners and they refused to do anything but deal with the men individually. Afterwards the pending, and in some localities, actual shortage of fuel in Saskatchewan and Alberta during the winter months, became a public factor in the struggle and, early in November, the Hon. Walter Scott, Premier of the former Province, placed the facts as to available fuel before the Dominion Department of Labour. Mr. Mackenzie King was sent out to offer mediation and reached the scene of trouble on Nov. 22nd. After prolonged negotiation a basis of settlement was arrived at except that the men desired to refer a difference upon the point of discrimination between union and non-union men to Mr. John Mitchell, President of the United Mine Workers of America. Then, in order to avoid delay under the crying demands for fuel, the men accepted a new clause drafted by Mr. King while the Company insisted upon the original clause of the basis previously arrived at. Mr. King then went to Indianapolis with a Labour Committee from the Mines and the Premier of Saskatchewan but, as they received a telegram from the Company accepting Mr. King's clause, did not have to actually see Mr. Mitchell. After further conferences at Lethbridge a settlement was reached on Dec. 2nd and the mines were in full operation the next day. The agreement reached involved increased wages, equality of treatment for all employees, arbitration in cases of dispute, no deduction of union dues by the Company, no direct recognition of the Union, and no 8-hour day.

Meanwhile, though greatly exaggerated in the press, the coal shortage was really serious in Saskatchewan and at some points elsewhere. The places reporting to Mr. Premier Scott were 54 in number and their statement in November indicated about 1,000 tons in hand and in sight with 100,000 tons required for the coming winter.* Such a condition naturally created alarm and warranted what would otherwise have been the extreme action of a Deputy Minister of Labour and the Premier of a Province travelling 2,000 miles to confer with a United States Labour

* NOTE—Despatch from Lethbridge, in Manitoba *Free Press*, November 4th, 1906.

leader as to the settlement of a Canadian mining strike. The Canadian Pacific Railway, during the crisis, did everything possible to ease the situation and rushed coal into various parts of Saskatchewan from its reserves at Fort William—charging only net cost and the cost for transportation and binding the dealers to a restricted profit of 50 cents a ton on distribution. The actual suffering was not very great but the possibilities certainly were. To the press in St. Paul, on Dec. 3rd, the Hon. Mr. Scott stated that "the output from the Lethbridge mine would, within ten days, be brought up to 1,200 tons daily. This, in addition to the existing supplies of coal and the output from the other mines in operation in western Canada, will solve the situation, although, no doubt, the inconvenience of a temporary shortage here and there will be felt all through the winter." The subject was discussed in the House of Commons on Dec. 6th and on Dec. 13th the Minister of Labour gave notice of a Bill embodying Mr. King's recommendation that the compulsory investigation clause now applying to railways be extended to coal mines and pointing out that "all questions in dispute might be referred to a Board empowered to conduct an investigation under oath, with the additional feature, perhaps, that such reference should not be optional but obligatory and, pending the investigation and until the Board has issued its finding, the parties be restrained on pain or penalty from declaring a lockout or a strike."

On Sept. 12th the employees of the James MacLaren Lumber Company at Buckingham, Quebec, struck to the number of 400 or so upon the point of higher wages. This continued for about a month, the places of the strikers being gradually filled and the mills finally operated without interruption. Before this end was reached, however, the Company had declined the offered intervention of the Department of Labour on the ground that it would not deal with an International Labour Union of which the men were members. The Quebec Government sent Mr. F. Marois twice to the scene in order to arrange a settlement but he was unsuccessful. On Oct. 8th a serious riot occurred in which two strikers were shot down and killed and several others seriously injured. One detective, or special guard, was also fatally injured and three others seriously hurt. Military protection was petitioned for by the Company and 100 Militia sent the same night from Ottawa—soon afterwards replaced by regular troops who remained some time. The inquest into the detective's death resulted in an open verdict. The verdict regarding the death of the strikers declared that certain special policemen, two members of the Company, and a number of the strikers were all guilty or responsible in the matter. There seems no doubt that the strikers had determined to stop all work at the mills and had deliberately armed themselves for an organized attempt. Some of those named in the Coroner's verdict were arrested on Nov. 26th and the matter passed into the hands of the Courts at Montreal.

The immediate cause of the Street Railway strike in Hamilton

MR. W. L. MACKENZIE KING, B A.
Deputy Minister of Labour, Ottawa.
Created C.M.G.

THE HON. ADÉLARD TURGEON, M.L.A.
Minister of Lands and Mines, Quebec.
Created C.M.G.

New Commanders of St. Michael and St. George, 1906.

was the Award of an Arbitration Board in some preceding troubles. Under its terms the men claimed that the Company was not keeping to the conditions while the Company declared that the men were really objecting to the Award itself which decreased the hours of labour while increasing the rate of wages per hour. The strike commenced on Nov. 4th and only involved about 180 men all told. On the 7th Fred Fay, an expert strike leader from Michigan, who had also aided the Winnipeg Street Railway employees in their recent fight, arrived on the scene to assist R. L. Reeves, the other International officer. The Company procured men and made every effort to continue running the cars. During the next few days the strikers organized processions, car-wreckers were much in evidence, shots were fired on the 8th, mass meetings were held throughout the city, considerable sympathy was shown by the citizens and, on Nov. 13th, Judge Snider, Chairman of the Police Commissioners, declared that "a state of anarchy now prevails" and demanded an extra force of 150 men. Mr. Mayor Biggar did his best to avoid calling upon the Militia and, after numerous discussions and meetings with the men, induced the Ontario Railway Board to intervene. Both sides stood firm, however, and this and other efforts had to be given up.

Meantime, the cars had been running, though generally empty, and with occasional injury to isolated passengers from missiles, etc. Somewhat serious riots took place on Nov. 23rd and the mob defied the Police, pelted and destroyed cars, smashed windows and indulged in some wild shooting. Troops were then called for and 100 sent down at once from Toronto. In the day or two following it was officially suggested to Fay, the international leader of the strike, that he should leave the city but he refused to do so and received from the Chicago head of the Union a telegraphic order to stay at his post. Mr. W. D. Mahon, the President, promised to be on hand himself immediately. Another riot followed on the 24th with a mob of 10,000 people in the streets and a charge by the Police with batons and by the troops with bayonets. Some 200 persons were injured. The Riot Act had first been read by the Sheriff and then the streets were forcibly cleared with the above results. President Mahon of the International Union had, meanwhile, arrived, an armistice was declared and negotiations resumed. One of the rioters, who pleaded guilty, was sent to jail for two years by the local Magistrate on Nov. 28th and several others were sent up for trial. Two days later both sides agreed to arbitration by the Ontario Railway Board and the men resumed work pending a decision which was given on Dec. 6th and proved satisfactory to both parties. Wages remained the same and the Company recognized the Union.

The Winnipeg strike was composed of some 240 motormen and conductors of the local Street Railway. It commenced on March 29th and Mr. Mayor Sharpe at once issued a warning proclamation as to disorder in the streets and a statement that the law would be strictly enforced. The Company undertook to con-

tinue operating its system, and the strikers, or their friends, at once proceeded to attack the cars with every kind of missile and the men employed by the Company with personal violence. Special constables were sworn in but it was found practically impossible to continue running although the Mayor, on the following day, called out the troops to maintain order and warned all citizens off the streets. By April 2nd the issue had narrowed down to a question of advancing wages and recognizing the Union. Then the Ministers of the City intervened as mediators and under the special auspices of the Rev. Dr. Patrick and Rev. Dr. Sparling an agreement was arrived at on April 7th by which an advance in wages was conceded but no direct recognition of the Union given.

Another important strike of the year was that at the Crow's Nest Coal Mines in British Columbia where some 800 men went out on Sept. 22nd—their expressed reason being unwillingness to work longer with non-union men. The General-Manager, Mr. G. G. S. Lindsey, responded with the statement that the mines might remain closed for years before he would recognize this principle and with the statement that the miners had distinctly broken their agreement of May 23rd, 1905. On Nov. 12th the strike ended, after discussion of the issues involved between Mr. Lindsey and Mr. T. Burke representing the National Board of the United Mine Workers of America which had, through its President Mr. John Mitchell, originally ordered the men out. The agreement of 1905 was recognized and the men were allowed to return to work with an intimation from Mr. Mitchell that he would never have ordered the strike had he known of the agreement in question.

Dominion and Provincial Labour Legislation of 1906

The increasing influence of Labour in the affairs of the country could be seen during 1906 in other than the more prominent forms of Unionism and strikes. An economic development was evident at Ottawa, and in all the Provincial capitals, which led to much quiet legislation along lines, usually, of a nature beneficial to both Labour interests and the community as a whole. Dominion legislation during the year incorporated the Canadian Handicrafts Guild for the purpose of reviving and encouraging Canadian handicrafts, home industries and habits of thrift; regulated in some details the sale of milk; provided a miner's lien in the Yukon for the price of his labour upon the lands, minerals, machinery and chattels of the owner or employer; defined and limited the amount and character of work of any kind which could legally be done upon the Lord's Day; endeavoured to further protect sailors and ship employees from accidents; gave the Railway Commission special powers for the protection of employees on trains and railways generally; dealt drastically with money-lenders and limited the interest on negotiable notes, contracts, etc., under $500, to 12 per cent. per annum and to 5 per cent. after a judgment had been rendered.

In Ontario the new Railway Board was given certain powers in Labour disputes which have been already referred to; the Act regarding stationary engineers was amended so as to require the appointment of a Board of Examiners for the purpose of regulating the examinations, qualifications, certificates, fees and conditions of work in this important occupation; legislative efforts were made to ensure the better enforcement of the Act as to fraud in the making of cheese and butter and the keeping clean and sanitary of the factories concerned. In Quebec an Act was passed regularizing the organization of co-operative societies amongst the labouring classes of the community. Nova Scotia legislated for the greater protection of miners by authorizing the appointment in each mining district of a Commissioner for the purpose of seeing that safety lamps were used wherever required; defined special qualifications for a check-weigher in collieries; amended the Coal Mines Regulation Act in details slightly more favourable to the employees; arranged that 40 per cent. of the employees could specify their medical attendant and have him accepted by the Company concerned; permitted the Dominion Coal Company, under special conditions and restrictions, to deduct monthly payments from its employees' wages in connection with their system of workmen's dwellings; arranged for improved inspection of creameries, cheese factories, dairies, meats, etc.; passed an Act for the protection and reformation of neglected children. In Prince Edward Island an Act incorporating a Charlottetown Electric Car Company required that all drivers of cars should be of the age of 21, or over, and obtain the written permission of the Mayor to serve.

Legislation in New Brunswick provided for compulsory attendance of children at school; enacted that no child under 16 years could be employed in cities and towns, in any business or industry, during school hours unless he had proof of passing a satisfactory examination in grade seven of the common school work; forbade the employment of children under 13 years in any manufacturing, mercantile, or mechanical establishment whatever. In Manitoba a person having threshing done for him was made liable for unpaid wages precedent to any other claim on the earnings of the machine. In Alberta an Act respecting steam-boilers provided a carefully defined system of inspection and examination and certification of engineers; a Coal Mines Act was passed for the protection of miners and required the keeping of a register of employees, prohibition of single shafts except in special cases, the providing of proper apparatus at the shafts, the prohibition of the employment of females or boys under 12 years of age, or up to 16 years of age who were unable to read and write; and defined the conditions as to qualifications of managers, etc., the protection of wages, the appointment of check-weighers, the ventilation of mines, the appointment of inspectors, the safeguarding of explosives, protection from gas, use of safety lamps, etc. A Mechanics' Lien Act was also passed.

The Saskatchewan Legislature dealt with Boiler inspection and certification of engineers; an amendment to the Mechanics' Lien law provided that liens should cease after 90 days from the date of the period of credit; a measure dealing with insolvent persons gave priority of claim to the wages of work-people. In British Columbia the Legislature amended the Coal Mines Act so that in order to obtain a certificate of competency as Manager, overman, shaft-boss, fire-boss or shot-lighter, a candidate must have a physician's certificate showing that he had taken a course in ambulance work fitting him to give first aid to injured employees; classified, by another Act, the stationary engineers into five distinct grades and required the posting up of certificates of qualification; arranged for the better inspection of dairies.

A somewhat conspicuous place in Labour affairs was filled during the year by the Department of Labour. Under the guidance, very largely, of Mr. W. L. Mackenzie King, C.M.G., as Deputy Minister, its *Labour Gazette* contained much useful monthly information; its intervention in several important strikes was effective; its action as to immigration from abroad under false representations made by unscrupulous persons was fruitful in British Parliamentary action; its enforcement of the fair-wage clause in public contracts was efficient.

Industrial Conditions and Labour Supply

The great prosperity of the country in 1906, the influx of additional population, the growth of production, the building of railways, the increased demand for labour on every hand, induced exceptional conditions in the Labour market and Labour interests. In Railway construction alone over $60,000,000 was spent; in 42 towns and cities new buildings worth over $60,000,000 were erected; in agricultural and mining production and in trade heavy increases required larger labour supplies; in factories and warehouses the demand was growing and insistent; in the domestic sphere the cry for servants was loud and vigorous with Chinese and Japanese and special importations from England as the only available source of relief. The farmers of Ontario and the West, the industrial interests of Ontario, the mines of British Columbia, the salmon canneries of the Pacific coast, the lumbering companies of Ontario and the Eastern Provinces, all wanted men and still more men.

Official Manitoba figures, published in the Winnipeg *Telegram* of June 16th, described 20,136 additional farm-hands as being required in that Province and 3,642 female servants. Figures obtained by the Secretary of the Canadian Manufacturers Association from members whose business and industrial interests centred in 246 cities and towns of Canada showed a total labour requirement, on June 28th, of 6,273 persons. There was every proof of this need for skilled and unskilled workmen. So close an observer as Mr. R. J. Barrett, of the London *Financier*, declared that, while Canada was on the verge of great development, "the country is crying out for skilled mechanics and labour for

the railways." The West, with its new industrial ambitions, realized this fact in many quarters and, on Jan. 8th, the Calgary *Herald* quoted the statement of the head of a large local institution that "If we could secure competent men our firm would to-morrow open at least a dozen branches in as many sections of Alberta. The conditions warrant this investment and the prospects are most re-assuring." On March 19th the Vancouver *Province,* in a special article, stated that: "In certain branches of mechanical work men are now badly needed in portions of the West. An official of one of the large railway companies recently stated to the writer that a number of machinists and boilermakers were badly needed. Immediately following the recent destruction of the I. C. R. shops at Moncton, N.B., it was intimated that situations could be found for a number of the employees in the West. The reply was to the effect that the men could not be spared, and that an effort would be made to hold them till the shops could be rebuilt sufficiently to give them employment once more."

Mr. William Whyte of the Canadian Pacific Railway in a Victoria interview on Aug. 10th, advocated the removal of the poll-tax on Chinese with a view to their admission, under restriction, for agricultural work, market gardening, and laundry work. In British Columbia during parts of the year canners could not get men and fruit-growers had to pick and pack their own fruit or let it rot. A careful observer, Dr. Maurice Baumfield of the Vienna *Neue Frie Presse,* told a Montreal paper on Aug. 24th that: "I will tell you what is the greatest problem you have to face in this country. It is the labour problem. The need of labour here is universal. Everywhere people are saying we could do this, or we could do that, if we could get the men, but we cannot get them. I think the solution lies in not restricting your country to European and American immigration. You should let in the Japanese." A Victoria paper, *The Colonist,* of Oct. 7th, declared unskilled labour to be one of the greatest needs of the day in that Province.

Mr. Richard Grigg, the British Board of Trade Commissioner, stated in Winnipeg on Oct. 3rd that, in British Columbia, "all interests were suffering from lack of workmen. In the lumber woods very high wages were being paid, resulting in a high price of lumber to the farmer on the plains. The salmon catch was small yet it was with the greatest difficulty that the canners had secured a sufficient number of men to handle it. If the year had been a banner one there would have been no possibility of canning all the catch. Formerly the Chinese did part of this work, but they were decreasing. The same was true of the Indians. In the fruit regions growers were beginning to ask what they would do in the future. Next year the increase in the number of trees would be very great, and the increase in the number of available workmen would not be large. The hop-growers were also deeply interested in the question of the supply of labour." Lord Grey

in his Toronto speech, at the close of the year, suggested the admission of cheap foreign labour to aid in Railway construction and was censured for the suggestion by the Toronto Labour Council on Dec. 6th. Sir Thomas Shaughnessy, on Dec. 21st, told the press that the shortage of labour warranted a cordial welcome to the Hindoos while the Canadian Manufacturers Association through its Parliamentary Committee, on Sept. 17th, defined its position as follows:

> The greatest need of the manufacturer to-day is skilled help. The Dominion Government has issued instructions to its immigration agents that the immigration of factory workmen and skilled mechanics must not be encouraged. This policy reacts on the farmers. Many immigrants that come to Canada to go on the farm are being attracted to the factory by the higher wages. It is unreasonable for the Government to undertake to populate the vacant lands without at the same time providing for an increase in the size and number of the factories and cities. Where are the Western Canadian cities that are calling for factories to get the skilled help necessary for manufacturing? In addition to the discouragement offered by this immigration policy there is the Alien Labour Act, designed to prevent manufacturers securing workmen in the United States. Further, no effort is being made by the Dominion Government to train our own people as they are trained in other countries by providing the opportunity for a thorough system of technical education, and while the efforts of both the Federal Government and the Municipalities are directed to encourage United States manufacturers to locate in Canada, no effort is made to provide them with skilled help, and they are expressly forbidden to bring their workmen with them.

Labour Conditions and Public Policy

Upon the other hand the Canadian Labour Unions were a unit in opposition to the incoming of any but agricultural workers. They wanted a white Canada, a small but highly paid population, a growing wealth for the people now in the country; no cheap workers or cheap wages, no coolie population or European riffraff, no coloured racial problem. To quote the words of the annual Report presented to the Dominion Trades and Labour Congress on Sept. 19th: "The fewer our people and the greater our wealth, the more ideal will be the existing conditions. We have no need of cheap peoples, they are an aspiration of the get-rich-quick man who desires to pile up a few extra thousands or hundreds of thousands of dollars at the expense of the future of Canada."

The closeness with which these organizations watched political action was illustrated in the North Atlantic Trading Company affair when the connection of Mr. W. T. R. Preston, Immigration Commissioner in England, with the Canadian Labour Bureau at London of which a man named Leopold was the head and front, and with which the encouragement of skilled labour emigration to Canada was a specialty, came up for Parliamentary investigation on May 21st and other dates. There was no doubt of the closeness of relation between Mr. Preston and this concern. Strong criticism by Mr. A. W. Puttee of the Winnipeg *Voice;* a Resolution of censure by the Toronto Labour Council; an appeal by the

President of the National Trades and Labour Council at Montreal for Mr. Preston's recall; followed quickly upon the controversy. Petitions to the Prime Minister along this latter line came from many separate Unions and Mr. Verville, President of the Trades and Labour Congress of Canada—the larger of the two organizations—took similar ground in Parliament and at its annual meeting. Later in the year Mr. Preston was appointed Trade Commissioner to China and Japan.

Another interesting question during 1906 was the "Hindoo" immigration which has been referred to elsewhere in that connection. It was welcomed by more than one employer of labour but encountered the most pronounced opposition from the workmen—especially of British Columbia. One of these employers was Mr. Otto Lachmund of the Arrowhead and Kamloops Lumber Companies who, on Oct. 17th, spoke of these immigrants in the Victoria *Colonist* as follows: "We find them good, conscientious workers but they cannot do the work of a white man. They are willing and industrious but what they lack is physical stamina. On the other hand they are willing to work at a lower rate of wages than is demanded by the white man. They are satisfied with $1.50 to $1.75 per diem as against $2.25 to $2.50 paid to the white man; thus the net result to the employer is about equalized." He added, as an American capitalist, that the only obstacle in the way of British Columbia development was the scarcity of labour. Upon the other hand the Victoria Trades and Labour Council, on Aug. 15th, passed unanimously a Resolution asking the Dominion Government to prevent any further inrush of Hindoo labourers. In Vancouver Mr. R. G. Macpherson, M.P., took strong ground against these immigrants: "You can never make good Canadian citizens of them, nor their descendants, and it is just as necessary to keep them out as it is the Chinese. Most of them are big strapping fellows, men who have fought in British regiments in their Indian wars, but their ideas and their ways are not ours, nor can they ever become so, and we in Western Canada do not want them." With Mr. W. A. Galliher, M.P., he waited upon the Prime Minister on Sept. 19th to see if something could be done to check the influx.

Mr. W. D. Scott, Superintendent of Immigration at Ottawa, had, meanwhile, been sent to investigate the Victoria Labour charges and he endorsed the action of Mayor Buscombe of Vancouver in vigorously resisting the further importation of these men. Reasons, however, were adduced, in a protest from the Council addressed to Mr. Scott, of a character hardly borne out by other evidence and the actual facts—such as loathsome habits and diseases and obnoxious modes of living. More accurate was the objection to caste prejudices and peculiar religious customs. The chief reason given in the protest was probably the following: "That the introduction of this class of cheap labour will be the means of excluding the very class of labour that is most essential for the progress and prosperity of the country, that is, white

workers who, if paid a fair living wage, could settle here, maintain their homes and rear families and thoroughly fulfil the duties of citizenship. At the present time a number of our large employers employ cheap coolie labour for the reason that it is cheap and, if this supply of cheap labour is increased, the possibility of any addition to our white population from outside sources becomes greatly lessened."

In Vancouver a mass-meeting was held on Oct. 18th and a vigorous Resolution of protest passed. Mayor Buscombe, who presided, said the only cheap labour wanted locally was by men who wanted to make more money. Mr. W. W. Cory, Deputy Minister of the Interior, was in Victoria a couple of days later and in a press interview described the Hindoos, in the main, as of fine physique, as being in many cases soldiers who had served the Empire abroad, as being in all cases British subjects. With better food than they had been accustomed to these men, in his opinion, would soon form a reserve of labour most desirable in a country where white labour was practically unobtainable, chiefly from the fact that the white immigrant expected to become, and to a large extent did become almost from the outset, himself an employer of labour if it was to be had. Canada, from East to West, was in want of labour and this form of labour, if it proved amenable to certain conditions here, as had been amply proved in the Colony of Natal and elsewhere within the Empire, would be useful and he did not see that, within certain limits, it should excite any antagonistic feeling. Labour of some kind the West must have and this form was certainly better in every respect than the Chinese and more easily controlled." By the close of the year the Indian Government had voluntarily checked the migration and the matter was disposed of for the time being.

The entry of Labour into the politics of Canada had been somewhat foreshadowed by the election of Mr. Alphonse Verville, President of the Trades and Labour Council, to Parliament from the constituency of Maisonneuve early in the year, by the influence of the Labour party successes in England and by the declaration of the President of the American Federation of Labour in favour of independent political action. On Aug. 29th a Resolution was passed by the Victoria Labour Council in favour of the formation of a Canadian Labour Party with "a combined National, Provincial and Municipal platform." The principles approved included (1) adult suffrage, old-age pensions and Conciliation and Arbitration Acts; (2) continuance of the Chinese Restriction Act and adoption of a strict educational test for application to all Asiatics and aliens; (3) public ownership of railways, coal lands, telegraphs, telephones, waterworks and lighting; (4) Government fire and life insurance under Dominion control; (5) improved factory legislation and a Dominion Government Labour Bureau. On Oct. 29th a Convention of the new party was held in Vancouver marked by a strenuous conflict between the "straight" Labour wing and the Socialists. The latter won the

battle and the supporters of the new party idea withdrew from the gathering under the leadership of Mr. G. F. Gray, President of the Victoria Council, who had vainly pointed to the existence of an Independent Labour Party in Quebec and in Winnipeg with expected action along the same lines in Toronto and Regina. At a meeting next day the friends of this latter movement organized separately with a platform including the points approved, as above, by the Victoria Council and with new ones as follows:

1. Free compulsory education.
2. That a legal week's work shall not exceed forty-four hours.
3. Government inspection of all industries.
4. The abolition of the contract system on all public works.
5. Gradual reduction of all direct taxation and a corresponding increase in land values independent of improvements.
6. Abolition of Dominion Senate.
7. That the Union label be placed on all manufactured goods, where practicable, and on all Government and municipal supplies.
8. Abolition of property qualification for all public offices.
9. Direct legislation through the initiative and referendum.
10. Prohibition of prison labour in competition with free labour.
11. Establishment of a national bank.
12. Compulsory acquisition of properties: (*a*) for closer agricultural and horticultural settlement; (*b*) for homes and village settlements for workers in the vicinity of cities and towns, or wherever there is a sufficient permanent population engaged in mining and similar pursuits in country districts.

Meanwhile, as a result of various representations from Labour interests, the Dominion Government early in September sent Mr. Mackenzie King to London, England, in order to confer with the authorities there as to the best means of preventing emigration to Canada under false representations. It was afterwards announced that his visit had been most successful and that the fullest co-operation was promised. The 22nd annual Convention of the Trades and Labour Congress of Canada was opened at Victoria, B.C., on Sept. 17th, with the President, Mr. Alphonse Verville, M.P., in the chair. There were 92 delegates present of whom 25 represented 12 Councils and 66 represented 60 unions. Various Reports from Committees were received. That from Quebec stated that in February of this year its members had waited upon the Provincial Government and asked (1) for sanitary by-laws and for measures against tuberculosis; (2) for uniformity in school text-books, the proper certification of engineers and the better lighting of workshops; (3) for imprisonment as a punishment for non-payment of wages and for the taxing of religious institutions. The Secretary reported the affiliation of 448 local unions with the Congress—123 from Ontario, 28 from Quebec, 78 from the Western Provinces and 12 from the three Maritime Provinces; a membership of 27,067 of which 10,621 came from Ontario; and a revenue of $4,445.

One of the most important matters before the members was the discussion and organization of the Congress along independent political lines. The Socialist programme was presented and vigor-

ously urged in this connection but was voted down by 49 to 21 and, finally, a decision was arrived at which may be briefly summarized: (1) That this Congress endorses the idea of sending representatives of Labour to Parliament and the local Legislatures for the direct purpose of conserving the interests of the working people of this country; (2) that such action as may be necessary to attain this object should be independent of the Congress; (3) that the platform of principles of the Congress be recommended as the platform to be adopted by those engaged in this independent effort; (4) that immediately upon the adjournment of this Convention the Provincial Executives take the preliminary steps to summon a Convention of the trade unionists of their respective Provinces, and those in sympathy with organized labour, for the purpose of forming the necessary associations to carry on thereafter the work of electing Labour men; (5) that upon such Conventions being summoned and convened the functions of the Provincial Executives, in this regard, should cease.

There were 81 Resolutions presented to the Congress, of which the great majority were approved. One of these urged the continued exclusion of Chinese immigrants and protested against the further admission of Hindoos to the country; and another eulogized the work of the Department of Labour and asked that it be placed under a separate Minister. Protests were made against false representations in English newspaper advertisements made to secure the emigration of skilled artizans to Canada; the Minister of Labour was asked to appoint a Commissioner in each Province to look after the enforcement of the Alien Labour Law; legislation was asked for to compel employers to pay workmen weekly and in currency; the Dominion and Provincial Parliaments were asked to pass an 8-hour day law and to carry out the principle, meanwhile, in all Government work; the establishment of industrial technical schools throughout the Dominion was approved and urged upon the attention of the public. Mr. Verville was re-elected President for the third time, Mr. James C. Simpson of Toronto, Vice-President, and Mr. P. M. Draper of Ottawa, Secretary-Treasurer. Of the minor Resolutions passed only a summary can be given here of the most important:

1. Endorsing Mr. Joseph Ainey as Labour Candidate in St. Mary's, Montreal—who was afterwards defeated.
2. Asking for better conditions and increased salaries for letter-carriers.
3. Asking that Fair Wage officers of the Dominion Government be given power to examine books of firms having government contracts where any suspicion exists as to the fair-wage clause being violated.
4. Endorsing a request to the American Federation of Labour that an effort be made to unite the several organizations of Labour now operating in Canada and the United States.
5. Favouring Workmen's Compensation Acts.
6. Urging that all extensions of armament cease—and that present military forces be gradually disbanded and international arbitration substituted.

7. Requesting the Dominion Government to obtain information as to the working of Government fire and life insurance in other countries.

8. Censuring the appointment of Hon. James Dunsmuir as Lieut.-Governor of British Columbia because of labour conflicts in his mines.

9. Approving the general principle of the Lord's Day Act, but condemning the exemption of any class from its provisions.

10. Expressing confidence in Haywood, Moyer and Pettibone, officers of the Western Federation of Miners who were about to be tried for murder.

11. Favouring the repeal of laws requiring a deposit by candidates for public office and the establishment of free employment bureaus in all the Provinces.

12. Urging the insertion of fair-wage clauses in all Provincial Government contracts.

13. Approving the merit and promotion system in the Civil Service and asking for legislation requiring a central aisle in all street cars.

14. Endorsing the protest of the London Labour Council against the local strike decision (Street Railway) of the Ontario Railway and Municipal Board.

On Sept. 12th an organization with an almost similar name, the National Trades and Labour Congress of Canada, met at St. John. This Association differed chiefly from the other and larger one in refusing affiliation with United States unions and in having the bulk of its membership in the Province of Quebec. Mr. John E. Mee presided at the opening meeting and described the objects of the Congress as being " the distribution of the wealth which Labour assisted in creating, with justice to themselves, their employers and the public." He referred to the opposition of the Congress to the passage of the Lord's Day Act and urged the appointment of Provincial organizers. The Executive Committee reported a membership of 50 unions and of over 20,000 individuals. In Quebec the settlement of numerous labour troubles by the efforts of their Executive was announced; the affiliation of various new organizations was stated; and the election of Dr. C. A. Coté to the Legislature and of their first President, Mr. Omar Brunet, to the Quebec City Council was described.

Mr. John E. Mee of Montreal was re-elected President, Mr. Hugh Beck of St. John was appointed Vice-President and Mr. T. J. Griffiths of Montreal, Secretary-Treasurer. The more important Resolutions passed were as follows: Requesting Governments to refuse new charters to Loan Companies doing business on the weekly payment system and asking that existing companies be compelled to print the rate of interest on their notes; demanding Government legislation for better protection against fire in factories and elsewhere; protesting against the immigration of skilled mechanics and declaring that only agricultural labourers are needed; asking the Quebec Government to adopt and enforce uniformity of school books and their supply free of cost; requesting an increased duty on boots and shoes from the United States of double the present 25 per cent. rate; demanding more efficient and more frequent sanitary inspection of factories; requesting the Quebec Government to establish a Workingmen's College in economic, technical, sociological and political subjects; urging the

adjustment of Canadian regulations as to denatured alcohol so as to aid industrial interests; supporting the enforcement of an 8-hour day upon all Government works. Other Resolutions were as follows:

1. Urging the Dominion Government to take up the important question of the decline of Canada's ship-building interests and to grant such an adequate bounty on tonnage launched in Canada during a term of years as would place its builders on an equality with competitors elsewhere.
2. Approving the adoption or more general use of the national Union Label on goods manufactured under the control of members.
3. Asking for the appointment of a Provincial Labour Commission to secure statistics, to study new Legislative measures, to see that Labour laws were enforced and to assist the development of mutual and benevolent organizations.
4. Asking for the compulsory Government inspection of raw hides.
5. Urging every endeavour to induce the Dominion Government to build a large dry-dock at Quebec.
6. Congratulating the British Labour party on its electoral success; endorsing the candidature of Mr. J. E. Mee in St. Mary's, Montreal, and repudiating that of Mr. Ainey.

Meanwhile, various Labour incidents were occurring in different parts of the Dominion. Archbishop Bruchesi of Montreal issued a pastoral letter late in August defining the position of his Church toward the workingmen and, on Sept. 2nd, addressed a great gathering of the latter in that City with the following conclusion: "They who overlook the supreme end of man, who repudiate the Gospel and teach that the goal of your aspirations is to enjoy life; they who resort to all imaginable means in order to rouse the people by always speaking of their rights, never of their social and religious obligation; these men who, instead of uniting employers and employees in the bonds of justice and charity, only sow the seeds of discord and enmity between them; who disregard the unquestionable principle of the freedom of Labour to work; who are always ready to approve of and revel in strikes; and who goad the masses on to open revolt when they should do their utmost to bring about peace and conciliation; these men are far from being your friends, your sincere friends. Be on your guard, therefore. Look up to the Church, in whom you will find light to guide you, justice to protect you and affection to comfort, elevate and fortify you." In Toronto, on Sept. 21st, the International Brewery Workers met in conference and decided to enforce more firmly the rule against members joining the state or local Militia.

At Hamilton, on Dec. 18th, the local workingmen, who had recently elected Mr. Allan Studholme to the Legislature, adopted a platform for the coming municipal election which included municipal ownership of all public utilities, appointment of Labour representatives on all public boards, free and compulsory education, and construction of all public works by day labour wherever possible. In Toronto Mr. James Lindala was, during December, a candidate for Mayor as a Socialist and

received a few hundred votes. His Manifesto, after reviewing certain alleged evils, proceeded as follows: "The only cure is to completely abolish capitalism—that is, private ownership of the means of production, and with it the wage system. Let the whole people own all instruments of wealth and production and the workers get all they earn instead of a mere fraction. We realize that this cannot be accomplished until the mass of workingmen and women become class conscious; that is, until they thoroughly understand that their interests as a class are entirely opposed to the interests of the capitalist class." Another incident in Ontario was the retirement, early in September, of Mr. Robert Glockling, Secretary of the Provincial Bureau of Labour, and the appointment of Mr. John Armstrong in his place. It may be added here that in connection with the Building strike in Winnipeg during September an interesting arrangement was come to on the 23rd by which a Permanent Board of Arbitration was locally organized to prevent the recurrence of such hostilities with Messrs. A. M. Nanton, A. W. Puttee, A. McDonald and R. T. Riley, appointed by the Unions and the Builders' Exchange, to constitute the Board.

Labour Organizations and External Influences

The United States factor in Canadian Labour matters was quite conspicuous during the year. The influence of American organizers and walking delegates in various Canadian strikes illustrated this condition very vividly and have been already referred to; while the close relations between the Unions on the two sides of the Line were shown in many minor ways. Early in February Mr. E. V. Debs, the Chicago Socialist and Labour leader, spoke in Toronto and told *The World* on the 5th that labour in Canada was in a "more healthy condition" than in the United States. In Montreal there was talk of a 'Longshoremen's strike in May because of the tie-up of lake boats caused by strike conditions at Buffalo and Detroit and the consequent diversion of business to the Port of Montreal. An International officer, therefore, came over to size up the situation and Mr. Thomas Robb of the Shipping Federation said, emphatically and publicly, on May 5th, that the shipping men of the Port would not tolerate any interference in their affairs on the part of any international union. "So far as we are aware, there is no trouble; the men are getting good money and are thoroughly satisfied. We are not averse to the local union but we will not be dominated by the United States unions." Nothing came of the effort, if effort there was, and the United States trouble was allowed to settle itself. On July 27th a decision was given by the Judicial Committee of the Privy Council in the Alien Labour law judgment given by Mr. Justice Anglin on June 16th, 1905. Lord McNaughton, Lord Dunedin, Lord Atkinson, Sir A. Wilson and Sir H. E. Taschereau sat on the appeal and fully maintained the right of Canada to expel from its borders persons of foreign birth who were objectionable or who had transgressed its laws.

As against Judge Anglin's view they declared the power of expulsion in the case presented to them to be simply the complement of the power of exclusion. This decision established the Alien Labour Law beyond question; its enforcement was quite another matter.

As against the growing influence of United States unions in Canada the continued success of the movement pressed forward by the "National" Trades and Labour body, as opposed to the "Dominion" Trades and Labour Congress, has been already described. It dominated the situation very largely in Quebec and made antagonism to United States organized affiliation its most distinctive policy. As an indication that the benefit of combination between United States and Canadian unions was not all on one side the American typographical strike of 1905-6 was a case in point. The Canadian unions, though not involved in the actual struggle, had for some 18 months to contribute 10 per cent. of their members' wages in support of the United States strikers and, in October, 1906, the Ottawa local union was threatened with expulsion from the International body because the members were nearly $12,000 in arrears after having already contributed $12,000 to the same object. Printers' unions in 16 other cities were similarly threatened for resisting a drain upon their wages which they found almost unbearable. Matters such as this were not referred to by Mr. Samuel Gompers, President of the American Federation of Labour, at the annual meeting in Minneapolis, on Nov. 13th. But he was enthusiastic as to general conditions:

> It is an extreme gratification that I can report to you that the Labour movement in Canada is growing and fully keeping pace with the movement on the remainder of the North American continent. Other than the fact that at the last meeting of the Dominion Trades and Labour Congress the clear-cut trades union movement, with all that it stands for, was emphatically and clearly set forth, there is no special feature requiring reference or comment at this time. . . . We have continued to our Canadian brothers our annual financial assistance for legislative purposes, as well as our organizer directly commissioned by the American Federation of Labour, and those from our affiliated unions. There is now almost entirely eliminated the element in Canada which undertook to divide organized workers of the Dominion from those of all America. It must be a source of pride to us all to know that now, as never before, the hosts of organized labour of the American continent recognize the identity of their interests and stand shoulder to shoulder in the common bond of unity and fraternity, in defence and for the promotion of common rights and the justice due to all.

In the Hamilton strike Frederick Fay, the International organizer, at one stage in the struggle, appealed for aid on Nov. 25th to the head of his Order in Chicago and was told by wire to "demand protection of United States Consul at Hamilton and stay where you are." The Chicago Street Car-Men's Union also asked President Roosevelt to intervene. The incident was only important as illustrating, of course, the possibilities in such cases of international trouble over the enforcement of local and

national law. Similar influences were at work and were sufficiently obvious in the Lethbridge and Crow's Nest Coal strikes, and in the Winnipeg Street Railway troubles. The curious part of the whole matter was the fact that the United States members of these international organizations upheld an Alien Labour law which, unlike that of Canada, was vigorously enforced. At Fernie, and for a time at Lethbridge, a United States citizen, living in his own country, was given full power over the cessation or resumption of operations at Canadian coal mines. A good deal of public opinion in Canada during 1906 seemed to be summed up in the terse sentence of a recent British Columbia Labour Commission: "Whether the wheels of Canadian industry shall run or shall rust ought not to depend upon the decrees of a secret Council at Denver." The other side of the matter was summed up by the United States fraternal delegate to the Dominion Trades Congress at Victoria on Sept. 20th, T. A. Rickert of New York, as follows:

> **Politically and nationally we may be divided. We, across the border, may be under obligations to a different Government, but as wage-earners and trade unionists we know no country or no flag but the country and flag of equal rights and brotherhood. When the American Federation of Labour was established and assumed its title, it made it broad enough to take in the entire continent of North America, and while from a legislative standpoint the Federation and this Congress differ, inasmuch as the one does not dictate or interfere with the other, yet from an industrial standpoint we are practically one organization. We are so closely situated that that which is detrimental to one must affect the other.**

An interesting incident in this connection was an effort to bring the Canadian Labour organizations into closer touch with British Labour Unions made, in 1906, by Mr. J. Ramsay Macdonald, M.P., a leader of the Independent Labour Party in the Imperial Parliament. Before leaving England on Aug. 8th, to visit Canada and Australia, Mr. Macdonald stated that he had letters to, and hoped to meet, the leading Canadian politicians as well as the Labour organizations of those countries. He defined his objects briefly: "There are two things I want to see if we can do. The first is to come to an understanding with the Labour parties in the Colonies so that there may be harmony and co-operation between ourselves and them. And in the second place, I shall endeavour to obtain some first-hand acquaintance with the results of experiments in Labour legislation in New Zealand and in Australia. I am simply going to use my eyes and my ears, and when the tour is over I shall be able more definitely to say whether or not it has been profitable. In a word, if there is any feeling of isolation between the Labour movements in the Colonies and here, I want to try and break down that feeling."

In Montreal, on Aug. 20th, Mr. Macdonald was tendered a reception at the Reform Club. Speaking briefly he emphasized the Liberal and official Labour antagonism to fiscal changes in England and went on to indicate the more general position of

his party: "We are proud of the Empire because we know that it stands for law, justice and government, wherever the flag waves. If you are told that the British Labour party does not care two straws for the Empire you are told what is false. Don't hesitate if anyone gives expression to such a statement to tell him that it is all lies." Addressing a Labour gathering on the following day he was quite clear in his definition of British Labour policy in Empire affairs: "Some people have seen in Imperialism an indirect attack upon the autonomy of the Colonies. There should be an understanding on this once for all. Imperialism in the Liberal sense of the word is simply a closer union of the autonomous countries that constitute the British Empire. It seems quite reasonable to ask those who share in the prestige of the Empire and benefit from its institutions that they should also assume a share of the responsibilities of its administration and help in the maintenance of its integrity." He denounced the Chamberlain proposals and urged the benefits of Socialism. To the Toronto *Star* on Aug. 25th he expressed interesting views as to United States conditions: "There is very little democracy in the United States. There is plutocracy, the political machinery, the independent executive. In our constitution there is plenty of democracy; the will of the people is supreme. Our Government is democratic to the finger tips and more wholesome than that of the United States."

To the Winnipeg *Free Press* on Sept. 1st Mr. Macdonald spoke as he had done elsewhere of co-operation between the Labour parties in Britain and the Colonies through an understanding between leaders and by mutual friendliness and knowledge rather than by combined organizations. In the matter of Imperial defence he appeared to have modified his views somewhat: "When we have come to an arrangement with the European countries to put a stop to the increase of armaments, and then reduced them, you might reasonably come in and take your share of responsibility when the cost would be comparatively small. At present it would be folly for the Colonies to take up any responsibility in the matter." A large Labour meeting was addressed in Victoria by Mr. Macdonald and his wife and on Oct. 12th he was in Sydney, Australia, where he summed up conditions in Canada to the *Morning Herald* as follows:

> Canada could not be treated as a whole. There were three different sections in the Dominion. First there was French Canada, which had for its centre Montreal. Here the workers were organized, but on a national basis. They would have nothing to do with other parts of the Colony where the Labour movement was governed by the United States. The middle section was a long narrow strip of territory including Ontario and the great western agricultural districts with its centre at Winnipeg. In this division there was a strong trades union feeling but, strange to say, the governing power was situated in Washington, United States. The remaining section was that of the western side of the Rocky Mountains to the sea. It was in this division that the best prospects for the Labour party prevailed, for the trades union movement there was mainly political, and British Columbia could be captured at once if the matter was gone about in the proper way.

VII.—CANADIAN COMMERCE AND INDUSTRY

Canadian Trade and Commercial Development

During 1906 the trade of Canada was the highest upon record. Since 1896 it had been steadily increasing from a total of $231,601,332 in that year to the large figure of $546,947,437 in 1906. The great bulk of this commerce is and has been with Great Britain and the United States, and the following table indicates its trend during a period of 30 years:

Trade.	1876.	1886.	1896.	1906.
Exports to Great Britain ..	$40,723,477	$ 41,542,629	$ 66,690,288	$133,094,937
Exports to United States..	31,933,459	36,578,769	44,448,410	97,806,552
Total Exports to all Countries.....	80,966,435	85,251,314	121,013,852	256,586,630
Imports from Great Britain	40,734,260	40,601,199	32,979,742	69,194,588
Imports from United States	46,070,033	44,858,039	58,574,024	175,862,071
Total Imports from all Countries	93,210,346	104,424,561	118,011,508	294,286,015

It will be seen that Canadian exports to each of these countries have increased at about the same rate; that the imports from the United States are now nearly four times as much as they were 30 years before and from Great Britain not twice as much; that the trade with other countries as a whole is advancing a little more rapidly than that with Great Britain and the United States. In the fiscal year 1904 the import of food and animals totalled $33,496,343 of which $12,596,342 were duty free; the import of articles in a crude condition, but which entered into various processes of domestic industries, was $49,991,587 of which $39,667,711 were free of duty; the import of articles, wholly or partially manufactured, for use as materials in the manufactures and mechanical arts, was $46,854,281 of which $22,912,647 were duty free; the import of manufactured articles ready for consumption was $95,955,064 of which $18,693,049 were free of duty; the import of articles for voluntary use, luxuries, etc., totalled $17,292,744 of which $810,694 were free.

In the fiscal year 1906 the total duty on imports collected was $46,671,101 as compared with $20,219,037 in 1896. From Great Britain the total duty collected was $12,944,249 as against $7,358,514 in 1896. From the United States the figures were $22,187,102 and $7,767,992 respectively. The increase in the 1906 imports over 1905 was $27,451,598; the increase in exports was $53,269,758. The excess of total imports in 1906 over exports was $37,699,385. The increase in trade was distributed very generally over a wide range of products—the excess in mineral exports over 1905 being $3,500,000; in the product of the Fisheries nearly $5,000,000; in Forest products $5,600,000; in animals and their produce $3,000,000; in agricultural pro-

ducts the large sum of $26,000,000; in manufactures over $3,000,000. During the six months of the calendar year, ending 31st December, 1906, this increase continued and, according to semi-official figures in the Toronto *Globe* (Jan. 25th, 1907) the period showed a gain of $43,015,776 over the same six months in 1905—a part of the fiscal year 1906. The imports had risen by $24,000,000 and the exports by a little over $3,000,000. The following table indicates the comparative condition of trade with all countries—omitting coin and bullion from the exports:

To June 30, 1906.	Imports from.	Exports to.
Great Britain	$69,183,915	$133,092,571
Australia	224,179	2,082,219
British Africa	175,355	1,759,719
British East Indies	3,353,985	21,554
British West Indies	5,859,589	2,359,722
British Guiana	2,494,209	487,659
Fiji Island	269,199	59,237
Hong-Kong	168,077	36,851
Newfoundland	1,758,425	3,213,609
New Zealand	301,357	734,054
Sundries	1,144	458,565
Total British Empire	$83,789,434	$144,305,760
To June 30, 1906.	**Imports from.**	**Exports to.**
Argentina	$ 1,491,666	$ 1,888,832
Belgium	2,610,072	1,565,166
France	7,667,687	2,120,091
Germany	6,987,314	1,872,557
Holland	1,179,892	824,768
Japan	1,673,542	493,952
Switzerland	2,012,405	30,230
United States	168,798,376	88,001,309
Cuba	439,040	1,221,766
Miscellaneous	6,632,776	4,333,371
Total Foreign Countries	$199,492,770	$102,352,042

There was an export of coin and bullion totalling $9,928,828 of which $9,800,071 went to the United States. The increase in imports from Great Britain and the United States over 1905 was, respectively, $8,851,879 and $13,124,500. The increase in exports to Great Britain and the United States over 1905 was, respectively $31,136,163 and $20,402,481. Of the imports for home consumption in 1906 $112,938,969 came in under the general tariff with duties of $33,301,541; $54,164,102 came in under the preferential tariff with duties of $11,158,853; $5,943,038 came in under the German surtax with duties of $2,210,706. The free goods totalled $117,495,683. The chief Provincial importer was Ontario with $128,654,267, followed by Quebec with $99,872,231, and Manitoba a long way off with $19,077,507. From 1868 to 1894, with one year's exception, Canadian imports had exceeded exports; from 1895 to 1898 and in 1900-1901 the exports exceeded the imports. The excess in imports ran from a few millions up to 60 millions in 1905 and down again to 37 millions in 1906.

The balance of trade theory was at one time a favourite subject of discussion but latterly had ceased to interest the public. Mr. J. H. Shaw of Montreal read an elaborate paper about the matter on Feb. 22nd, 1906. He pointed out that between 1896 and 1905 the excess of merchandise imports had been $118,000,000 and yet Canada had prospered; that from 1900 to 1905 the excess of exports of merchandise in the United States had been $2,900,000,000 with a similar condition of prosperity; that in Great Britain in the years between 1900 and 1904 the excess of imports of merchandise had been $442,000,000 with a fair degree of prosperity. During these periods Canada had imported coin and bullion in excess of exports to the total of $30,000,000; the United States had exported an excess of $144,000,000; Great Britain had imported an excess of $90,000,000. His conclusion was that all international commerce was barter and a balance of trade simply the logical result of internal national conditions. An interesting point during the year was the value of the merchandise carried across United States territory from British North America, for shipment by U. S. ports to other foreign countries, and amounting to $42,502,898 as compared with a similar amount carried in 1904 and over $61,000,000 in 1903 and 1902.

There was a noticeable increase in Canadian trade with the British West Indies in 1906 and immediately preceding years. In imports from the Islands hides and skins increased from $72,624 in 1902 to $170,180 in 1906 and sugar from $1,189,879 to $4,980,720. In exports to the Islands breadstuffs rose from $397,641 to $565,018; drugs, dyes, etc., from $17,562 to $137,356; fish and fish products from $969,328 to $1,232,541; butter from $71,816 to $134,130; wood and its manufactures from $172,816 to $206,061. The total imports to Canada increased from $1,529,170 to $5,450,473; the total exports from Canada to the Islands, in 1902, were $1,974,379 and in 1906 $2,758,416. Most of the figures quoted in this Section have been for the fiscal year 1906 but it may be added here that Canada's total imports for consumption in the calendar year 1906 were $311,538,399; its total exports were $269,477,604; its total trade $589,944,804.

During 1906 it was pointed out that Canada was neglecting a fruitful market for barley in Great Britain where $30,000,000 worth was wanted every year and largely taken from Russia, Turkey, Roumania and the United States. Considerable discussion took place as to the prospect of promoting trade between Canada and Japan. The fact that the 40,000,000 Japanese people were beginning to turn from rice as a staple food to wheat created speculation as to the advisability of cultivating such a vast prospective demand. Lord Grey, in 1905, had referred to the possibilities of such a trade and he did so again in 1906. Alberta commenced the serious consideration of exporting wheat to the Orient. The Lake of the Woods Milling Company received an order in November for the shipment of 3,000 sacks of flour to Tokio and 4,000 for Kobe. In the Ottawa *Citizen* of Dec. 1st

Mr. S. Tamura, a large Japanese merchant, explained how he had for years been laying the groundwork of an export trade from Canada to Japan in salmon, flour and lumber. Flour mills, it may be added, were constructed during the year not only in the Island Kingdom but in China as well. Mr. G. H. Shaw of the C. N. R. expressed the opinion on June 6th that all the winter wheat of Alberta would, eventually, go to China and Japan.

Domestic trade in Canada during 1906 was exceptionally prosperous—goods of a superior quality being much in demand; the Christmas trade was the heaviest on record and retailers in dry-goods and hardware reported successful business with good profits. Many reports were received from Canada's Commercial Agents abroad. Mexico was said to furnish an ever-increasing demand for farm machinery, lumber and cream-separators; there was stated to be an improving demand in England for timber, fruit and Canadian flour while much appreciation was felt of the better and more scrupulous packing of Canadian food products; in Australia large shipments to Melbourne were reported of Canadian chairs, and other lines of furniture and iron-piping, with a good demand for reapers and binders; and it was claimed that much room for expansion existed in the supply of boots and shoes, furniture and paper. A specially good market for hog products prevailed in Great Britain while brush handles, packing cases, apples, wood-blocks and soap were in good demand. In comparison with trade expansion in the United States it was asserted that during 25 years Canada's export trade had increased 132 per cent. while that of the United States had grown 84 per cent. and that in the past 10 years Canada's total external trade increased 122 per cent. as compared with a United States increase of 71 per cent. In the general development of Canadian trade and population some interesting figures were worked out by the Brantford *Expositor* (Sept. 21st) which showed a total per capita trade in the fiscal year 1871 of $46.83; in 1881 of $47.07; in 1895 of $45.62; in 1901 of $72.13; in 1905 of $78.33; and in 1906 of $88.32. Only Great Britain and Australia were ahead of Canada in this respect. Canadian Commercial Agents, abroad, it may be added, were as follows:

Country.	City.	Name.
Great Britain	Birmingham	P. B. Ball.
" "	Leeds	J. B Jackson.
" "	Bristol	W. A. McKinnon.
Australasia	Sydney	J. S. Larke.
"	Melbourne	D. H. Ross.
Newfoundland	St. John's	E. D. Arnaud.
South Africa	Capetown	C. M. Kittson.
West Indies	St. Kitt's	S. L. Horsford.
" "	Port of Spain	Edgar Tripp.
China	Shanghai	H. J. Craig.
France	Paris	A. Poindron.
Japan	Yokohama	Alex. Maclean.
Mexico	Mexico City	A. W. Donly.
Norway	Christiana	C. E. Sontum.

Industrial Conditions and Progress

The industrial branch of national development has been steady in Canada for some years and during 1906 production was unable to keep up with the demand; although many factories were running night and day, new ones were being constantly established and opportunities abroad were being neglected and, at times, orders actually refused. The greater manufacturing industries of Ontario—in the value of their products—were agricultural implements, carriages, and vehicles, clothing and iron and steel goods. In Quebec they were boots and shoes, clothing, cottons, iron and steel, and carriages, etc. In Manitoba flour and grist mills were the chief industry, with a marked tendency to branch out into smaller lines of manufacturing,—as in Winnipeg, where over thirty manufacturing establishments erected new buildings during the year; where over a hundred factories were actually in operation; and where it was announced on Oct. 1st that 24 prospective new industries were in sight.

Local ambitions in this respect were illustrated in the demand of the Yorkton *Enterprise* that the Saskatchewan Government should establish factories to manufacture everything required in the West, and the comment of the Winnipeg *Telegram* (March 20) that "the West cannot buy everything it wants at home, but it can buy a good deal that it does not buy here at present, and the scope of its home market will gradually expand. Let the West patronize those things which are of the West; its investments, which are the best in all the world to-day; its industries and its factories, what we have of them; its mercantile houses and its financial institutions. There cannot be too much loyalty to the western idea, and the more the West patronizes the West, the more will other factories and industries follow on the heels of those which have succeeded." In New Brunswick the chief industries of a manufacturing character were clothing, cottons, and boots and shoes, and in Nova Scotia clothing and cottons. Lumber, preserved fish, dairy products, etc., are not, of course, included in this statement, but if they were the Census figures for 1901 would show the following statistics:

Provinces.	Fixed and Working Capital.	Salaries and Wages.	Value of Products.
British Columbia	$ 22,901,892	$ 5,456,538	$ 19,447,778
Manitoba	7,539,691	2,419,549	12,927,439
New Brunswick	20,741,170	5,748,990	20,972,470
Nova Scotia	34,586,416	5,613,571	23,592,513
Ontario	214,972,275	56,548,286	241,533,486
Prince Edward Island	2,081,766	445,998	2,326,708
Quebec	142,403,407	36,550,655	158,287,994
North-West Territories	1,689,870	465,763	1,964,987
Totals	$446,916,487	$113,249,350	$481,053,375

Taking Canada as a whole in the last Census year (1901) the chief industries of a manufacturing nature were boots and shoes with a product of $18,481,216; tanneries $12,068,600; agricultural implements, $9,597,389; foundries and machine shops, $15,-

292,445; iron and steel $6,912,457; smelting works $7,082,384; cotton mills, $12,033,052; and woollen goods $7,359,541. The pulp and paper mills produced $8,774,557 between them and the sawmills $50,805,084 worth of lumber. The ensuing five years witnessed a great change in these productions and largely added to totals which, however, are not available in official form though a large increase can be confidently asserted by anyone who knows the country. The total product of Canadian factories was estimated in 1906 at $600,000,000. The progress toward this point was accurately illustrated in the exports of manufactured goods which increased in the fiscal year 1906 despite the enhanced and heavy demands of the home market. In 1875 and 1885 these exports had been a little over $3,000,000 and in 1895 only $7,700,000. In 1905 they were $21,191,333 and in 1906 $24,561,112.

A very important industrial incident of the year was the official investigation of Dr. Eugene Haanel, Dominion Superintendent of Mines, into the manufacture of steel and the production of nickel-pig by the electric process. On Feb. 24, Dr. Haanel telegraphed the Minister of the Interior from Sault Ste. Marie as follows: "Successful demonstration of all points stated in my memorandum on electric smelting of Canadian iron ores requiring investigation. Output greater than figure adopted by Harbord in Report of Commission. Successful smelting of magnetite and desulphurization of pig. Successful substitution of charcoal, and therefore of peat for coke. Consumption of electrode insignificant. Production of nickel-pig of fine quality from roasted pyrrhotite. Forty tons of pig have so far been produced. Process admits of immediate commercial application." Three years before this Mr. Sifton, then Minister of the Interior, had sent Dr. Haanel to Europe to look into this process and its possible application in Canada. In 1905 Dr. Hérault came from France and, under his direction, electric furnaces of special design had been constructed and electric appliances obtained. This new discovery or application was claimed to mean immense development for the iron and steel industry and a *Globe* special correspondent at the Sault telegraphed his paper on Feb. 27th that: "It is impossible to over-rate the important consequences to Canada bound to follow from these successful experiments. With vast deposits of iron-ore existing throughout Ontario and Quebec, and contiguous to them large water powers for the cheap production of electrical energy, it does not need much thinking to see that iron and steel industries, free from the smoke nuisance, will speedily be established. The successful production of nickel-pig is also a wonderful achievement. In the Sudbury district the supply of ore is almost inexhaustible, and for the finished product there is an immense and ever-growing demand."

The experiments enabled Dr. Hérault to estimate that a furnace capable of producing 120 tons of pig-iron per day of 24 hours

could be erected for $700,000—including $500,000 for a power plant of 10,000 horsepower—and producing iron at a cost of $10.69 per ton. Following these announcements Prof. E. G. Von Odelstierna read a paper before the Swedish Technical Congress, published in the *Journal* of that body, and compared the iron industries of Canada with those of Sweden as being very similar in the character of the ores. He went on to refer to the interesting results of these electric smelting experiments and to express the fear of dangerous competition in iron from the Dominion. "There is no doubt in my mind that Canada will develop in the near future a large iron industry." Dr. Haanel's summary of his experiments and their results, in a paper presented to the Faraday Society of London in July, may be given here:

(1) Magnetite can be as economically smelted by the electro-thermic process as hematite.
(2) Ores of high sulphur content, not containing manganese, can be made into pig-iron containing only a few thousandths of a per cent. of sulphur.
(3) The silicon content can be varied as required for the class of pig to be produced.
(4) Charcoal, which can be cheaply produced from mill refuse, or wood which could not otherwise be utilized, can be substituted for coke as a reducing agent, without being briquetted with the ore.
(5) A ferro-nickel pig can be produced practically free from sulphur and of fine quality from roasted nickeliferous pyrrhotite.
(6) Titaniferous iron ores up to perhaps 5 per cent. titanic acid can be successfully treated by the electric process.

Meanwhile, the continued progress of the iron and steel industry in Canada was notable. On Dec. 31st, 1905, there were 14 completed blast furnaces in the country with 9 in operation; and 21 completed rolling mills and steel works with three new plants projected or building. The pig-iron produced had increased from 37,829 gross tons in 1895 to 468,003 gross tons in 1905; the steel ingots and castings from 17,000 gross tons to 403,449; finished rolled iron and steel from 66,402 gross tons to 385,826. The production of Bessemer steel rails increased from 35,155 gross tons in 1904 to 133,690 in 1905; that of open hearth and steel rails from 1,061 tons to 45,195 tons—a total of finished rolled products amounting to 385,826 tons in 1905 as against 180,038 tons in the preceding year.

During the fiscal year the Government's share in encouraging this industry was $2,004,338 paid out in the form of bounties on production and showing an increase of $460,000 over the preceding year. The chief beneficiaries and producers were the Dominion Iron and Steel Company of Sydney which received $246,353 for pig-iron, $408,511 for steel ingots and $302,413 for other steel articles; the Algoma Steel Company, of the Consolidated concern at Sault Ste. Marie, which received a total of $535,190; the Hamilton Steel and Iron Coal Company which received $86,748; and the Nova Steel and Coal Company, which received

$187,753. These bounties expired through a gradual reduction process in 1906 but were continued by the Minister of Finance at a general increase for the current year and with a new sliding scale ending in 1910.

In Sydney the Dominion Iron and Steel Company, which had practically created the population of 13,000 in that place, its assessment of nearly $6,000,000, and its wage-bill of $2,000,000, had a fairly prosperous year in 1906—interfered with, however, by a strike and by the dispute with the Coal Company. It was understood to have tendered for the supply of all the steel rails for the National Trans-continental, to have been awarded the contract for supplying rails for the Vancouver, Victoria and Eastern Railway, to have secured an order from Mackenzie and Mann for 50,000 tons of 60-pound rails for the Canadian Northern Railway, and to have supplied the Quebec and St. John line with 1,000 tons of rails. According to the annual statement up to May 31st, the Company showed an output for its fiscal year of 25,392 tons of pig-iron, 17,145 tons of billets and blooms, 101,245 tons of rails and 45,562 tons of wire rods. The surplus for the year (including bounties) was $652,594. Mr. J. H. Plummer, President of the Company, stated to the press on June 28th, that it was hoped before long to pay current dividends on the preferred stock, and he added that the Bessemer plant, then under construction, would largely increase the capacity of production. Writing of the industrial possibilities of Sydney, and Cape Breton in general, Professor Archibald MacMechan said on Jan. 25th of this year that:

> My first impression, especially after I had seen the collieries of Glace Bay, was that the industrial development of Cape Breton has barely begun. Subordinate industries, cement from the blast furnace and ammonium sulphate from the coke-ovens, have already sprung up ; others are bound to follow. The Dominion Coal Company is one company ; the Dominion Iron and Steel Company is another and totally different concern. The Nova Scotia Steel Company at Sydney Mines is a third—separate and distinct. Their united, monthly pay-roll is seven hundred and fifty thousand dollars. A fourth (English) coal company is building a town, Broughton, with miles of graded streets, before it builds its spur of railway, or opens its colliery. The initial outlay will be four and a half million dollars. The Dominion Coal Company is developing one mine, Dominion No. 6, at a cost of $800,000. But this is a little side issue. It has a gigantic plan of working all its collieries by electricity from one centre. To realize what this means you must see Glace Bay.

The Nova Scotia Steel and Coal Company had a prosperous year with profits of $400,000 greater than in 1905 and, according to figures published in the Halifax *Chronicle,* a production of 723,705 tons of coal, a making of 81,279 tons of coke, an output of 389,800 tons of iron-ore, the manufacture of 49,412 tons of pig-iron, 51,672 tons of steel ingots and 43,123 tons of steel bars and sheets. The wages paid totalled $2,099,810. The affairs of the other chief steel producer in Canada—the Lake Superior Corporation—were most satisfactory in 1906. Mr. R. Wilson-Smith,

MR. HARRY COCKSHUTT.

Elected President of the Canadian Manufacturers' Association, 1906.

THE HON. JAMES A. LOUGHEED, K.C.

Senator of Canada.

Elected Leader of the Conservative Opposition in the Senate, 1906.

who had recently been appointed the representative of the Ontario Government upon the Directorate, stated on May 4th that the steel-rail output was then between 600 and 800 tons per day; that this capacity would be nearly doubled when the two new blast furnaces, then under construction, were completed; that the Company had orders for steel rails covering months in advance. On May 1st the Loan of this concern, guaranteed by the Ontario Government for $2,000,000, had been paid in part and a renewal guarantee given by the Government for $1,000,000. According to Mr. Wilson-Smith in another interview—the Montreal *Gazette* of May 4th—matters in general were quite prosperous. "This vast enterprise, which is now in a flourishing condition, is composed of steel works, smelting furnaces, mines, railways and steamers, water powers, pulpmills, street railways, lighting plants, lumber, etc. It is felt that the Company's affairs are now on a sound financial and commercial basis. The net profits realized during six or eight months of its last fiscal year were $520,000 and, according to present results, the net earnings for the fiscal year ending June 30th, next, will be from $1,000,000 to $1,250,000. Its gross turn-over is between six and seven millions of dollars per annum."

As the combined industries and properties originally cost $40,000,000 and were the creative influence in the development of the Canadian Sault the importance of this 1906 condition was very great. In April it had been announced that the Company had received orders for 50,000 tons of steel rails from the Grand Trunk Pacific, for 20,000 from the Michigan Central, for 41,000 from the Canadian Pacific Railway, for 35,000 from the Canadian Northern, and for 20,000 from the Great Northern. The Report for the fiscal year ending June 30, showed assets stated at $54,395,262; a revenue surplus of $556,880; a net income of $522,077 in excess of 1905. The production of the Helen Iron Mine was 167,665 tons; that of pig-iron 130,902 tons; that of steel rails 159,740 tons; that of ground wood-pulp 24,344 tons; the sales of lumber realized $124,240. Upon one important point the Report said: "The blast furnaces and steel rail plant, the principal industry, demands the largest share of attention and absorbs in its operations the greater proportion of the financial resources, while its further needs are inadequately met. It is most gratifying that it shows great development and improvement. The estimated production of 150,000 tons of steel rails for the year has been exceeded by about 10,000 tons. The record output of steel rails for a day—1,004 tons—and 17,873 tons during August, 1906, shows the possibility of the plant, and proves the advisability of further capital expenditure on the steel works." At the close of the year it was announced that Mr. W. N. Sawyer, General-Manager of the Corporation, had resigned his position.

Meanwhile, other developments in the country were taking place along similar lines. In Montreal during August, the

Dominion Steel Car Company, Ltd., had built for the C. P. R. the first steel car constructed in Canada. This was the first of an order for 500 and the practical inception of a large new industry. At Fort William, on Oct. 4th, Mr. T. J. Drummond, Vice-President of the Canadian Iron and Foundry Company, announced a contract for the erection of a large modern foundry in that place and expressed his belief that the town would inevitably become an important manufacturing centre. The Company's business would be the manufacture of railway car-wheels, castings and gaspipes. In June the Canadian Westinghouse Company of Hamilton completed the largest generator yet made in Canada—2,000 horse-power—for the use of the British Columbia Electric Railway.

The Canadian General Electric Company, with its associated Foundry interests, shared in the general progress of 1906 and the year was notable in this industry for a tribute to the work of the subsidiary industrial concern—the Canada Foundry Company and its founder, Mr. Frederic Nicholls—by an English visitor, Mr. R. J. Barrett, Editor of the London *Financier*. After telling his readers that the whole gamut of structural and mechanical engineering was embraced in the scope of its operations, he went on to say that " Specialization is here reduced to something like an exact science; rule of thumb, it goes without saying, is not included amongst the working calculations at Davenport Works; and nothing is handled twice when one handling is, or ought to be sufficient. The operations of production are continuously progressive; whether it be a commonplace nut or bolt, the complicated mechanism of an express locomotive, or a ponderous mass of girder work, which claims attention in any part of the works, the process of manufacturing is steadily onwards." His conclusion was as follows: " Altogether the Canada Foundry Company's enterprise deserves to rank amongst the world's most remarkable engineering concerns, for in less than five years it has grown from a modest little industry employing forty mechanics to a great undertaking employing over 1,300 and is in a position to produce under the most modern conditions anything mechanical, as I was assured and convinced on the spot, from the smallest set screw to a mogul engine."

In other industries there was marked progress during 1906. On May 31st, the first annual statement of the Dominion Textile Company—a combination of four large cotton interests at Montreal—showed sales of $1,475,000 more than the combined figure of the previous year, a surplus of $117,594 and an increased output. There was a marked progress in the electro-plated silverware industry and more than one United States Consul in Canada drew his Government's attention to the improvements in this branch of local production. All through Northern Ontario the native industries of a new country were at the height of prosperity. The sawmills were working night and day, the rail mills

at the Sault were, as already intimated, crowded with orders, and the mining industry in the Ottawa River region, the Cobalt, Temagami, Sudbury, Massey and Victoria Mines districts, was busy getting upon a solid business basis.

The City of Hamilton increased its industrial activities very largely. The Berlin Machine Company, the extension of the Hamilton Iron and Steel Company, the establishment in the previous five years of more than twenty large manufacturing plants, all combined to advance its position as an industrial centre. In Peterborough it was understood that Senator Cox's purchase of certain lands involved the coming of a branch of the important Kidderminster Carpet Manufacturing Company—the Brintons, Limited. In Berlin the underwear and woollen mills, the collar, cuff, whitewear, and other factories, the boot and shoe and rubber works, prospered and added to their plants, or increased their use of electric power. So it was in Montreal, in Toronto, at all the industrial centres of Canada and in other places where it was soon hoped to reach that distinctive point.

One of the most prominent industries, in respect to an almost spectacular progress, was that of flour milling. A large proportion of this business had been for some years in the hands of the Ogilvie Flour Mills and the Lake of the Woods Company. These concerns for the year ending August 31, 1906, showed liabilities of $6,888,401 for the Ogilvies and of $5,643,376 for the other Company. They had each about $1,000,000 worth of wheat, flour, etc., on hand, and the former had a property account of $3,395,123 and the latter of $2,948,072. Each had issued bonds for $1,000,000, but the Ogilvies had a reserve fund of $1,011,000 and the Lake of the Woods Company none. The stock of each was in the neighbourhood of $3,500,000. On April 15th the latter Company ratified the purchase of the Keewatin Milling concern and thus acquired another large mill and new elevator. At the annual meeting of the Ogilvie Milling Company on Oct. 11th reference was made to the practical destruction of its Fort William elevator and to completion of a flour mill, warehouse and barrel factory at the same place. It may be added that despite the apparent similarity in financial conditions between this Company and the Lake of the Woods Company the former held the place of being the largest concern of the kind in the British Empire, with upwards of 100 elevators in its system and an elaborate general organization for the handling of grain and manufacture of flour. In the construction and opening of the new plant and mills of the Western Canada Flour Mills Company at St. Boniface, Manitoba, a marked industrial development of 1906 was brought to the public attention. Mr. Premier Roblin performed the opening ceremonies, on Aug. 9th, of a plant which it was estimated could produce an output worth $5,000,000 a year and which Mr. Alex. Kelly, President of the Company, described with pardonable pride as "the best mill in America."

Agitation regarding the Metric System

An interesting discussion occurred during the year upon the proposed change in the standard of weights and measures from the one now used in most British countries, in Russia and the United States, to that employed by most of the other nations of the world. It involved, briefly, the formation of new units by multiplying or dividing by tens, hundreds and thousands. This, of course, conformed to the Canadian system of notation of numbers, and would render unnecessary the complex dividing and multiplying in what teachers call the "compound rules of arithmetic." The change would require the mastery of three words: gramme, the unit of weight; litre, the unit of volume; and metre, the unit of length; also three divisionary prefixes—deci (tenth), centi (hundredth), milli (thousandth); and three multiplicatory prefixes—deca (ten), hecto (hundred), kilo (thousand). The Dominion Government appointed Professor J. C. McLennan, PH.D., of Toronto University, to address meetings throughout the country upon the subject and he did so at many places during the year—notably at Guelph, Kingston, Windsor, London, Toronto, Woodstock, Montreal, Quebec, Winnipeg, Edmonton, Vancouver, Victoria and St. John.

The subject was of special importance to industrial interests. Professor McLennan and the advocates of the Metric system claimed that it was a labour-saving scheme; that it would facilitate the operation of electricity and other new scientific devices; that it would help Canadian trade with the countries of Europe and in competition with them in the countries of South America, etc.; that it would make one set of patents for the export trade possible to the manufacturer. The objections to the proposal, so far as Canada was concerned, was that Great Britain should move first; that while some forty countries might be using, or partially using, the French metric system, yet their combined population was only 445,000,000 as against the opposing total of the British Empire, the United States and Russia, with 567,000,000; that no country really enforced the system to the exclusion of local denominations and terms; that such a change would be very costly to manufacturers in particular—to the United States manufacturers $1,000,000,000 was the estimated total; that it would cause infinite confusion in trade circles and trade arrangements; that the system was already legalized, though not compulsory, in Great Britain, Canada and other countries; that when the people really wanted it was the time to make it compulsory; that in any case the proportion of Canada's trade with metric countries was not 2 per cent. of that with non-metric countries.

In Parliament, on May 3rd, the question came up in connection with a small yearly payment for continuing the educational propaganda. The Hon. Mr. Templeman thought that the time of actually adopting the system was problematical. "That will depend on whether the system is adopted by Great Britain, or by the United States, or by both, and whether the Parliament of

Canada will then approve of its adoption in this country." Mr. R. L. Borden thought that the expenditure might well be left to the future also. The Hon. Mr. Brodeur stated that the Government was following up a Resolution passed at the last Colonial Conference. Other members suggested the schools and colleges as the best places for the movement to be carried on and one stated that druggists in Canada already used the system. Mr. J. P. Murray, of Toronto, in the Montreal *Herald* of Jan. 22nd introduced a further point when he said that neither the British system nor the Metric system was satisfactory; that the Manufacturers' Associations of the United States and Canada were to a very large degree opposed to the new proposal; and that further inquiry should be made in the matter before official action was taken. Amongst the Canadian papers in opposition to the Metric system were the Halifax *Herald*, the Montreal *Gazette*, the Victoria *Colonist*. A larger number were favourable.

VIII.—PUBLIC AFFAIRS IN THE PROVINCES

Political Affairs and Conditions in Ontario

The Whitney Government during 1906 proved itself strong, progressive and constructive in policy. Criticism there was as a matter of course but this general statement will stand the verdict of time. There were several bye-elections during the year. At Kingston Mr. E. J. B. Pense, the unseated Liberal member, was again a candidate and Mr. D. M. McIntyre, K.C., was again his Conservative opponent. In view of the corruption known to prevail in certain circles of this electorate the two political parties came to an agreement, fully and legally drawn up, to allow of no corrupt or illegal practices, or improper expenditure of money, in the coming contest. This was signed on Jan. 13th by the two candidates and other party workers and included amongst the forbidden things (1) the bribing of voters by money promises; (2) the procuring or promising of office, place or employment to voters; (3) the subscribing, advancing or paying of moneys except through the published accounts of the authorized agent of each candidate; (4) the corruptly treating or entertaining of voters, corruptly betting or wagering on the contest, hiring of vehicles or payment of voters' travelling expenses; (5) the personation of voters. For enforcing this agreement a tribunal of inquiry and decision was selected composed of Bishop Mills and Messrs. R. V. Rogers, K.C., and J. L. Whiting, K.C.

Meetings were addressed on the Government side by the Premier, by Hon. W. J. Hanna, Messrs. J. P. Downey, I. B. Lucas, R. R. Gamey, and others, while Mr. Pense carried on a quiet personal canvass which appeared most effective in the result. Despite the Government's claim of clean administration, abolition of the numbered ballot, inauguration of a " real surplus," profitable operation of the Temiskaming Railway, strict enforcement of the License laws, new and business methods in bookkeeping, and progressive government in general, the Opposition candidate was elected on Jan. 29th by 2,099 to 2,064 votes in what appears to have been a clean election contest. In North Toronto Dr. Beattie Nesbitt's retirement caused a vacancy which was contested by Mr. W. K. McNaught for the Conservatives, and ex-Mayor Thomas Urquhart for the Liberals. The latter's platform was, chiefly, the obtaining of greater municipal rights and influence in the Legislature. The former took a straight Conservative attitude with confidence in and approval of the Whitney Government. On Feb. 22nd the result appeared in a vote of 3,828 for Mr. McNaught, 2,505 for Mr. Urquhart, and 250 for Mr. James Simpson who had run as a Socialist.

The resignation of Mr. E. A. Little in September caused a vacancy in Cardwell and on Sept. 21st Mr. Alex. Ferguson of Tecumseh, Conservative, was elected by acclamation. The death of Mr. Henry Carscallen, K.C., the popular Conservative member for East Hamilton, brought on an election there in which the issues were complicated by the interjection of Labour questions and much bitterness of feeling caused by the still recent Street Railway strike. Mr. Allan Studholme, a prominent Labour leader, was nominated as an independent candidate, with Labour representation and public ownership of public utilities and large productive enterprises, as the chief items in his programme. The Liberals did not put up a candidate and most of them, presumably, supported Mr. Studholme against the Conservative candidate, Mr. J. J. Scott, K.C. The latter declared himself in favour of the Ontario Railway Board taking over and operating the Hamilton Street Railway system; as not, however, being a believer in public ownership generally; as considering the Government contract at the Central Prison, which was claimed to involve the competition of prison with free labour, to be a mistake; as being dissatisfied with the relative treatment of Toronto and Hamilton local interests by the Whitney Government. The contest was won by Mr. Studholme on Dec. 4th with a majority of 853 in a total vote of 3,859 compared with the general election vote of 6,000 a year before. The Government regarded the result, in its public utterances, as an outcome of strike conditions and it was understood that upon the Power question and some other issues the new member would support Mr. Whitney's policy.

Apart from Legislative proceedings and enactments the Government policy was defined upon several occasions during the year. On Jan. 17th a large deputation from London waited upon the Prime Minister to request aid for a local Institute or School of Sanitary and Medical Science—Government construction and control being preferred to any half-way contribution. Affiliation with the Western University seemed to be hinted at and this evoked the statement from Mr. Whitney that, while the Government had helped medical education in Toronto and might do so elsewhere, it was unalterably opposed to any public aid being given to any denominational institution. Upon the matter of perpetual franchises and in connection with three Bills then under consideration —the York Radial, the South-western Traction and the Brantford and Erie line—Hon. J. S. Hendrie was emphatic on April 19th: "It has been decided as a matter of Government policy that no bill will be confirmed in which any railway corporation secures a franchise for a longer time than the 25 years which has been specified in the new Railway Act."

Mr. Premier Whitney spoke at Hamilton on June 15th in connection with the opening of the new 20th Century Club-house. He said that the Government had doubled the tax on Railways but, although this was not a finality, the ground should be a very

sure one before any further action was taken. The Law reform problem required attention and, personally, he could not see the necessity of so many Courts of Appeal. Teachers in the schools should have higher remuneration and he intimated that Hamilton would have one of the new Normal Schools. Replying to a deputation from the Farmers' Association, which waited upon him on Sept. 5th, Mr. Cochrane, Minister of Lands and Mines, discouraged the idea that the Government should build railways in New Ontario simply because they were needed, and he declared that great care was necessary in taxing mining production. Those who obtained rich results should pay royalties but, on the other hand, prospecting must not be discouraged. He deplored the absence of ore refineries in the Province and, five days later, laid at Trout Lake the corner-stone of a new refining and reduction plant which, it was estimated, would cost $2,000,000, employ 1,000 men and have a capacity of 500 tons of ore per day. The Provincial Board of Health was re-organized during the summer and, on Sept. 27th, it was announced that Dr. Charles Sheard of Toronto would be Chairman with Dr. M. L. Beeman of Newburgh, Dr. J. W. S. McCullough of Alliston, Dr. C. B. Coughlin of Peterborough, Dr. W. J. Robinson of Guelph, Dr. W. R. Hall of Chatham, as Members of the Board and Dr. C. A. Hodgetts of Toronto as Secretary.

The Government's policy in Electrical power matters is dealt with elsewhere. Mr. Whitney defined and summarized his views in this connection on Sept. 22nd: " The Government will proceed with its expressed determination to see to it that municipalities and other consumers of power shall receive power at reasonable rates. The rights of expropriation and operation as given in the Act will be relied on by the Government as a means, in default of others, of carrying out the intention of the Act." In another direction the Attorney-General's Department clearly indicated its policy. The closing of the Toronto Junction pool-rooms and the Fort Erie lottery, the bucket shop raids of June 21st in Toronto, and similar police action against the hand-book men on July 26th, showed that a watchful eye was being kept on matters of public morality.

A sectarian issue was raised in the appointment of Dr. Coughlin, a Roman Catholic, as Superintendent of the Institute for the Deaf and Dumb at Belleville. The *Orange Sentinel* of Nov. 1st declared that in this matter Mr. Whitney had offended the Protestant sentiment of West Hastings and all Eastern Ontario and referred to the preceding appointments of Dr. Ryan as Superintendent of the Kingston Insane Asylum and Mr. Doyle as head of a Cobourg institution. A Belleville Orange Lodge followed this up with a vigorous protest. Prior to this the *Catholic Register* of Toronto had, on several occasions, attacked the Government for alleged unfairness to Roman Catholics in its appointments and, on April 5th, had stated that five Catholic

employees of the Province had recently been dismissed from the public service in Toronto. As between these two attacks Mr. Whitney, in a press interview on Nov. 5th, declared the Government appointments and dismissals to be alike uncontrolled by religious considerations and, as to Dr. Coughlin, added: "His qualification is in one respect unique; he has had the experience of both a public school and high school teacher. This is one of the considerations which weighed with the Government and the necessity of having a medical man was another."

Appointments in general came in for the usual amount of criticism and the charge was made in some quarters of adopting the spoils system. Allegations of partisanship against Mr. S. T. Bastedo, Deputy Minister of Fisheries, were largely discussed. Mayor J. C. Judd of London was formally appointed to investigate them and, after prolonged examination of the charges, reported unfavourably of the Deputy Minister. On July 9th the Premier announced that Mr. Bastedo had been removed from his position on account of continuous and offensive partisan action under the late Government. Mr. Bastedo, it was understood, claimed that where he so acted it was under instructions from his official and political chief. Shortly before this charges of partisanship against Messrs. C. E. Whelihan, Registrar for South Perth and W. W. Brown, Registrar for East Northumberland, were investigated, stated to have been proved, and the officials dismissed. Toward the close of the year Mr. James Baird of Toronto was appointed to investigate charges of improper conduct and mal-administration made against G. R. Van Zant, head of the Toronto Jail and formerly an active Liberal worker. On Dec. 27th the dismissal of Mr. D. B. Jones, Division Court Clerk of Leeds and Grenville, for being an offensive partisan, was announced.

Incidents of a public or political character during the year included the visit of Mr. Mortimer Clark, Lieut.-Governor of the Province, to England in the summer and the appointment of Chief Justice Sir William Mulock to act as Administrator. Mr. Premier Whitney, accompanied by Dr. Pyne, Minister of Education, also took a holiday trip in August which included Edinburgh, Glasgow, Belfast, Dublin, Liverpool, and Paris in the itinerary. The Attorney-General, Hon. J. J. Foy, was acting-Premier. On May 16th memories of the famous Gamey charges were revived by the final disposition of the $2,000 handed to Mr. Whitney in the Legislature by Mr. Gamey and which had ever since been held by the High Court. Under special legislation it was now paid to the Provincial Treasurer and, on the above date, was given to the Hospital for Sick Children at Toronto. A Provincial Commission to revise the Statutes of Ontario was announced on June 25th to be composed of Mr. Justice Osler (Chairman), Chief Justice Sir W. R. Meredith, Mr. Justice J. T. Garrow, Mr. Justice F. A. Anglin, Mr. Justice J. V. Teetzel and Hon.

A. G. McKay, K.C., M.L.A., with Mr. A. M. Dymond as Secretary. Some retirements of the year were Mr. J. Walter Curry, K.C., as Crown Attorney of Toronto and Dr. Judson T. Clark as Provincial Forester. Some 250 Justices of the Peace were appointed and other positions were filled as follows:

Position.	Name.
Registrar for South Perth	H. Frederick Sharpe.
Registrar for East Northumberland	A. Gordon Willoughby.
Registrar for West Toronto	Dr. W. Beattie Nesbitt.
Crown Attorney for Toronto	J. W. Seymour Corley.
Deputy Minister of Lands and Forests	Aubrey White.
Deputy Minister of Mines	Thomas W. Gibson.
Sheriff of York County	Frank T. Daville.
Government Director of the Consolidated Lake Superior Company	R. Wilson-Smith.
Mining Commissioner for Province	Samuel Price.
License Commissioner for Toronto	Reuben Millichamp.

Though not political in character it may be said here that an important legal decision was given on Oct. 8 by Mr. Justice F. A. Anglin in the case of the Keewatin Power Co. and the Hudson's Bay Co. against the Town of Kenora. The Companies claimed the river-bed by virtue of the ownership of adjoining land, and relied on the common law of England which was adopted in Canada in 1791. The town's case was based on the laws of the Province and the frequent assumption of the Courts with regard to the rights of the public in the beds of navigable streams. Although the specific point at issue had not previously been made the subject of definite decision the Courts had on several occasions proceeded on the assumption of public ownership in such waters. Judge Anglin took the view that the common law of England applied only where it was reasonably suited to Canadian conditions and judgment was accordingly given against the Companies and the Province was declared, practically, to be owner of the river-beds. The matter of the Game laws and regulations was much discussed during the year and a number of branches were formed throughout Ontario of an Association for the protection of Fish and Game. The Ontario Fish and Game Commission also held some meetings and made certain inquiries during the year; notably at Ottawa on Jan. 9th when Hon. Dr. Reaume and Hon. Jean Prevost were present. The membership of the Commission at the close of the year was as follows: H. S. Osler, K.C., Toronto (Chairman); H. Marshall Graydon, London; Samuel Buchanan, Windsor; J. E. Thompson, Arnprior; W. H. Casement, Lakefield.

Liberal Leadership and Policy in Ontario

The Opposition in Ontario was not aggressive during 1906. It had to bear, rightly or wrongly, the blame for a position and policy which the electorate had strongly condemned and which its leaders had not yet got away from. Much, however, as the Government had achieved during its year or two of office there were inevitably things which it had not yet done and there was

always the possibility of raising controversies over official dismissals. The Kingston *Whig,* for instance, gave a list of 12 reforms, all declared to be important and necessary, and all said to have been promised, but which had not yet been carried out. The Liberal party was described as just as good, if not better, a friend of Government ownership as was the party in power and its legislative record of many years—along lines of special concession to municipalities, of the inception of the Temiskaming Railway, of the arrangement in the Electrical Power Company's lease as to one-half the production being regulated by the Government—was emphasized. The position of the Sault concern and the developments at Cobalt were indicated as largely due to Liberal policy in the past. Quiet watchfulness and careful criticism was one definition of the party's present policy.

The Hon. G. W. Ross, the eloquent Provincial leader, was away for part of the year seeking health and there were insistent and recurrent rumours as to his probable acceptance of a seat in the Senate at Ottawa with eventual leadership of that body. There were occasional criticisms within his own party as to the Provincial past and in one or two cases—notably the Huron *Signal*—as to his Imperialism being out of touch with the Liberal point of view. But the mass of party opinion seemed content with his leadership and work. Academic discussion as to his possible successor was not infrequent—in the Conservative press—and of the members of the Legislature Messrs. G. P. Graham, T. H. Preston, A. G. McKay and E. J. B. Pense were the alleged favourites. Outside the Legislature there were various references to Messrs. N. W. Rowell, K.C., Macdonald Mowat, Mayor of Kingston, J. W. Curry, K.C., Sir William Mulock and even the not too friendly J. S. Willison of *The News,* as possibilities.

The annual meeting of the Reform Association of Ontario was held on Sept. 5th at Toronto with Messrs. G. W. Ross, Richard Harcourt, G. P. Graham of the Legislature, Hon. C. S. Hyman, Minister of Public Works at Ottawa and Hon. A. B. Aylesworth, Minister of Justice, Senators J. K. Kerr, Jas. McMullen and Robt. Jaffray present amongst many other leading Liberals of the Province. Mr. H. M. Mowat, K.C., presided and in his address deprecated the frequent absence of Federal Ministers from this and other gatherings where, he thought, their presence would be useful and desirable; and described, also, the gradual decline of the old-time party paper with its strong political meat and the present-day substitution of editorials "laden with caution." Mr. Mowat was re-elected President with Hon. N. A. Belcourt, M.P., as Vice-President for the east of the Province, Dr. M. A. James for the north and Mr. W. S. Calvert, M.P., for the west. The Committee included Messrs. C. M. Bowman, M.L.A., James Chisholm, G. P. Graham, M.L.A., D. J. McDougal, M.L.A., and Lieut.-Colonel A. T. Thompson, with Mr. P. S. Larkin as Treasurer and F. G. Inwood as General Secretary. Messrs.

Hyman and Aylesworth spoke and then Mr. Ross made the following vigorous attack upon the Government:

> What sane man could give any reason for the practical dismissal of 3,000 magistrates, men tried and true, of the highest standing in Ontario, to be replaced, not in the natural order of vacation by death, or resignation, or disqualification, but to be replaced purely for party purposes. There was to have been no partisanship in the License administration, yet every license inspector and nearly every inspector had been dismissed for party reasons. The policy of the Liberals had been to develop the northern districts, but now the people there were in almost open rebellion, and for the first time in the history of the Province there was a movement for the secession of New Ontario from the Province of Ontario. The Liberals had been charged with extravagance, but in the eighteen months of office the Conservatives had increased the expenditure by $1,500,000, or 30 per cent. Where would the Province be in the next five or six years if the Conservatives remained in power? Mr. Matheson had floated his Loan in Great Britain at 96 cents on the dollar, but he asked the people of Canada who subsequently subscribed to another loan to pay 100 cents.

No Resolutions appear to have been passed and this the Conservative press ascribed to unsettled conditions of leadership and party opinion. A meeting of the Hamilton Liberal Association on Nov. 6th replied to this insinuation in pronounced terms: "Resolved, that we hereby again express our confidence in the leadership of the Liberal party in the Province of Ontario by the Hon. Geo. W. Ross. We approve of the policy that has been pursued by him and his predecessors in office for upwards of thirty years, and we express the hope that he will continue to lead the Liberal party in the Province of Ontario for many years to come, with the same acceptance that he has done in the past." Up to the close of the year, however, there continued to be rumours and speculations as to the coming transfer of Mr. Ross to Ottawa with a good many generous references—not confined to his own party—as to the wider and fuller field which his talents would find there.

Proceedings and Policy of the Ontario Legislature

The 11th Legislature of Ontario was opened in its 2nd Session by His Honour W. Mortimer Clark, Lieut.-Governor, on Feb. 15th, 1906. The Speech from the Throne reviewed the increasing prosperity of the people and the Province; stated that the past year had been the most successful in the history of the Ontario Agricultural College, which had over 1,000 students in attendance and for which the Government would ask increased teaching funds and facilities; referred to the increasing immigration into the Province and the Colonization aid which was confined solely to providing farm and domestic help; mentioned, with courteous gratification, the visits of His Excellency and Lady Grey to various parts of the Province; stated that the Government operation of the first section of the Temiskaming Railway had been most satisfactory and the income largely in excess of the expenses; promised amendments to the Mining law, a treaty with Indians not now under such arrangements with the Province, Bills respect-

ing County Councils, the University of Toronto, the taxation of railways and the Department of Lands and Mines; mentioned the proposed amendment of the Liquor License Act, the Volunteer Land Grants Act, the Railway, Street Railway and Electric Railway Acts, the Companies Act, the Public Schools and the Education Department Acts; and referred to the importance and pending consideration of the hydraulic and electric power question.

The Address in reply was moved by Lieut.-Colonel Hugh Clark and seconded by Mr. P. H. Bowyer. The ensuing debate closed on the 20th when the Premier and the Opposition Leader crossed swords for a time. Mr. Ross reviewed the policy of Ontario Liberalism in the past 30 years including, recently, the encouragement of mining and railway development, the establishment of pulp industries and Forestry efforts, the commencement of the Temiskaming Railway, the encouragement of the Sault industries, and the establishment of the now useful Succession duties. In connection with Education he deprecated what he termed the political appointments of Deputy Minister and Inspector of Public Libraries and defended earnestly his own administration of that Department. "Twenty-four years ago 4,000 pupils passed the entrance examinations into the high schools; in 1903-4 the number was 14,632. Twenty years ago only 272 pupils passed the matriculation examinations into the universities; in 1903-4 851 passed. Twenty years ago there were 11,000 pupils in the high schools; the latest figures showed 50,000." He defended the ability and influence of female teachers; attacked the alleged partisan administration of the License law—especially in Ottawa, Chatham and Toronto; declared that by coming to the aid of the Grand Trunk Pacific project with a bonus of $400,000 and a land grant of 1,250,000 acres his Government had saved the situation for the Railway at a critical stage in its English financial negotiations; stated that since the Whitney Government came into power there had been 880 appointments to office—not including 3,000 Justices of the Peace, issuers of marriage licenses, or Fisheries overseers—and that of these 880 appointments some 600 had been made after removal of their predecessors from office.

The Premier, in his reply, passed from consideration of the legislative record of the late Government to a brief review of its outside record—not a flattering picture of political purity as he presented it. He devoted considerable attention to the matter of the political appointment of officials. "The practice of the late Government showed that these were made absolutely and in every instance for political reasons. The moment the present Government found a License Inspector doing or refraining from doing his duty for political reasons, that moment he must leave the service." Mr. Whitney challenged the late Government to show that they had ever considered such a course. Later on, Mr. Whitney said that he was told from some sources that he would

not be returned to power because he had failed to dismiss officials. Between the two charges he thought the Government was not very far wrong. Many remaining officials had been nothing more than mere party workers but they were still undisturbed. As to the Department of Education it would have at its disposal the best expert advice and assistance and Mr. Whitney quoted *The Globe* in eulogy of Mr. Colquhoun's appointment and regarding the necessity of reform in the educational system. In revising the list of Justices of the Peace a large number of Liberals had been retained—in fact every man whose faculties were sound and physical capacity good.

During the Session which followed an immense amount of work was done. Reference is made elsewhere to the reform and re-organization of the University of Toronto; to the Public School and general educational legislation; to the Niagara Power question and the Government's promises and performance; to the revision of the Liquor License Act and to the new Mining Law and Provincial Loan policy. Other legislation was varied and upon the whole progressive. In County Councils the old system was re-adopted under which they were formed of representatives from the minor municipalities but with a smaller number of representatives than was formerly provided for. Civil servants' salaries were very generally increased, legislation was passed making the Director of Mines also Deputy Minister of Mines and relieving the Deputy Minister of Lands and Forests of considerable work and routine. A measure presented by Mr. W. H. Hoyle and endorsed by both sides of the House provided that thereafter all promoters of joint-stock companies selling shares in the Province should file their prospectuses with the Government and that these documents should contain full and accurate particulars as to the allotment of capital stock, the character of the business to be conducted, etc. A measure presented by Mr. Henry Eilber provided for recovery of maintenance costs from inmates of houses of refuge who might possess property to warrant such action.

The Hon. W. J. Hanna put through new Government legislation respecting the Toronto General Hospital. It provided for the appointment of 25 Trustees—8 by the Government, 5 by the University of Toronto, 5 by the City and 5 by the subscribers. Power was given to expropriate the necessary land for a site and the new institution was to be called the Provincial Hospital. It may be added here that on Jan. 16th, 1906, the total subscription to the Hospital Fund was $1,064,541 including contributions of $100,000 each from Mr. Cawthra Mulock, Senator George A. Cox and the Estate of the late H. A. Massey; $250,000 from the Ontario Government and $200,000 from the City of Toronto; $50,000 each from the University of Toronto, the Medical Faculty of the University, and Mr. Timothy Eaton; $25,000 each from Messrs. E. B. Osler, E. R. Wood and J. W. Flavelle. A some-

what heated discussion took place over the City's grant and the claim that any patient in the Hospital should have the right to attendance by his own physician; as against the Government clause which involved a payment for maintenance before being allowed that privilege. A compromise was eventually come to. The Government also refused to allow Medical students from any other than Toronto University to attend in the Hospital. It was attached to that University and these privileges should go with the union. On July 7th, after the passage of the Act, the new Board was announced as follows:

Government Trustees—Cawthra Mulock, Professor A. B. Macallum, F.R.S., William Mackenzie, Rev. D. C. Hossack, W. F. Maclean, M.P., W. J. Douglas, Charles Cockshutt, Dr. J. O. Orr.

University Trustees—Professor James Loudon, Dr. John Hoskin, Rev. J. A. Macdonald, W. T. White.

City Trustees—Mayor Coatsworth, Aldermen Dunn, Noble, McGhie and Comptroller S. Alfred Jones.

Subscribers' Trustees—H. H. Fudger, P. C. Larkin, M. J. Haney, Chester D. Massey, H. C. Cox, J. W. Flavelle, W. E. Rundle.

Legislation was passed changing the distribution of the grant of $70,000 to Agricultural Societies from the existing system to a straight division *pro rata* amongst the Societies—in proportion to the money expended in the previous year for such agricultural purposes as horse-shows, prizes for agricultural production, money spent for importation of pure-bred stock, for ploughing matches, seed fairs, crop and good-farm competitions, etc. Trials of speed were permitted but horse-racing was prohibited at County fairs or exhibitions and the sale of liquor was also forbidden. The Ontario Election Act was amended in accordance with the Government's pre-election promises and the legislation of the previous Session, so as to make the secrecy of the ballot absolutely assured. The Land Grant Act was amended so as to permit volunteers entitled to land grants to take out patents at once instead of waiting ten years.

By the amendment to the Supplementary Revenue Act presented through the Provincial Treasurer it was enacted that every bank in Ontario should pay an additional tax of $100 for the Head Office in the Province and $25 for every other office, branch, or agency in the Province. A considerable increase in Railway taxation was also enacted. A measure was put through by Hon. Adam Beck dealing with Independent Municipal Telephone systems and placing them under the control of the Ontario Railway and Municipal Board in all matters affecting standard requirements and uniformity of methods and appliances. Mr. Beck described this legislation on Apr. 12th as follows: "Under the Bill which I have introduced any system established is vested in the municipal corporation in trust for the subscribers and so long as the subscribers, those original members or those who may come in either on the original lines or extensions thereof, desire it, the system will be permanent and not in danger of being wrecked

by neglect, or because influences may be brought to bear upon them to abandon the scheme or sell out to a Company. As time goes on the different telephone systems that will be established, serving different groups of people, will gradually approach each other and come to be operated as one system just as if an original group itself extended its lines; and it is not unreasonable to expect that in due time a Telephone, encouraged in this way, giving the people the service at cost price, will be found, practically, in every rural home in Ontario."

The Hon. Mr. Monteith carried a measure providing for more sanitary conditions in cheese factories and creameries. Automobiles or motor vehicles were put under careful regulation, registration and rules as to speed, numbers, alarm bells, etc., lights, accidents with other vehicles or horses, locks, keys, etc., permits, personal injuries and damages, fines and penalties. The Department of Agriculture was authorized to appoint an Advisory Board in connection with the Guelph College. Mr. J. P. Downey carried through a Bill encouraging the preservation of wooded farmlands by exempting them from taxation. The arrangement with, and land grant of the late Government to, the Grand Trunk Pacific Railway was modified so as to replace in the hands of the Province an estimated total of 525,000 acres. An Act was also passed incorporating the Provincial Long Distance Telephone Company and giving it wide powers subject to the Municipalities and to the Railway Board.

Several measures of importance failed to pass. Mr. W. K. McNaught's anti-treating Bill was avowedly intended to simply arouse discussion; Mr. John Smith's motion giving the Provincial franchise to women was voted down by 69 to 9; the Graduate Nurses Association Bill, presented by Mr. Thomas Crawford, was opposed by Hospital authorities and was held over to another year. Liberal policy during the Session was critical in connection with increased expenditures, the Local Option Clause, the Provincial loans, the County Councils legislation, the refusal to impose royalties on the mineral output, the Temiskaming right of way affair and certain parts of the Education legislation. Opposition was expressed by Resolution as to the appointment of a Superintendent of Education—lost by 51 to 12; as to the complete power regarding appointments in Toronto University given to Board of Governors; as to the ear-marking of the Succession duties (in part) for University revenues.

The Legislature adjourned on May 14th, after 150 Acts had been assented to by the Lieut.-Governor and a lengthy address delivered congratulating the House upon the work accomplished as of "such extent, variety, and value" as to make the Session without a parallel in Provincial history. Reference was also made to the Address passed regarding the suggested visit of the King and Queen, to the visit of Prince Arthur of Connaught and to the more important of the items of legislation. In this general

connection the Toronto *News* (April 18) after criticizing the Government for its free dismissal of office-holders went on to say: "In the amount and quality of the legislation which is now before the Provincial Parliament we have no parallel since Confederation. It seems certain that when the Session is over the Government will have placed upon the Provincial statute books more sound, useful and progressive legislation than has marked any Session for a third of a century."

Ontario License Policy and Legislation

The enforcement of the License laws, the new legislation presented and carried by the Government, the changes in officials throughout the Province, the aggressive advocacy of the Prohibitionists, constituted a prominent element in Provincial affairs during the year. Speaking to the press on Jan. 19th, Hon. W. J. Hanna, Provincial Secretary, said that he hoped there would be no misunderstanding of the fact that "this Department expects the law to be enforced." He went on to indicate some existing conditions: "Take what happened in London and Stratford. We have received frequent complaints from there of late, and the fact that the special officer, with the assistance of two men employed by him, could go into these places and, as a result of a few hours' work, have six convictions in London and four or five in Stratford, and eight more in Prescott this morning, surely means a condition of things that should not exist and that a few lessons should remedy. And this condition is not confined to London and Stratford and Prescott." Meanwhile, on the other hand, Local Option had won considerable victories at the municipal elections of, or about, Jan. 1st, when 56 places voted for this policy and thus cut off 159 licenses. This made 102 municipalities which had prohibited the issue of licenses and, with 139 more which for various reasons were without licenses, it left 2,500 retail liquor licenses in the Province.

On Feb. 7th a Dominion Alliance deputation waited on the Premier and asked for legislation abolishing the bar-room, the treating system and drinking in clubs. Mr. Whitney reiterated, in reply, the Government policy of enforcing the present law and of amending it from time to time in the direction of promoting temperance. But the Government had no mandate to "abolish the bar." Another deputation on March 2nd presented the commercial travellers' view of existing conditions in Local Option communities and asked for an amendment to the law so as "to force Municipalities in which Local Option had passed to provide requisite accommodation for the travelling public." In addition it was desired that, in such Prohibition centres, the hotels should be subjected to official inspection in regard to cleanliness and the supply of proper food to guests. In the Legislature, on March 27th, Hon. Mr. Hanna introduced the Government's new Liquor License Bill. By its terms the licenses were graded, as to fees, from cities having a population of more than 100,000, where the

fee was to be $1,200 for a tavern license and $1,000 for a shop license, down to villages where it was to be $250 and $270 respectively, and townships where it was to be $200 and $120 respectively.

The Councils of all municipalities—excepting cities—were given the right to make any increase desired in license duties subject to a by-law approved by the electors. The proceeds of licenses were to be equally divided between the Government and the municipalities. As to Local Option the existing law was changed by providing that a by-law could only be voted on at the time of holding municipal elections, instead of at any time; by compelling the submission of such a by-law upon the petition of 25 per cent. of the total number of electors; by making the assent of three-fifths of the electors necessary to the passage or repeal of such a law; by making it compulsory upon the Council to pass a by-law when so approved; by reducing the time within which a vote on repeal could be taken from three to two years; and by providing that in case the original by-law be not assented to no new by-law should be submitted for two years thereafter.

The measure had many other clauses and enactments. It provided (1) for licensed bar-tenders in every city and town and prohibited the issue of a license to a woman or to any person under 21 years of age; (2) for cancelling the current year's license in the case of a first offence, and for two years in a second offence, with a three years' cancellation in the event of three convictions within a two-year period; (3) that there should be no increase in the number of New Ontario licenses and that a license in that part of the Province, outside of cities and towns, might be cancelled and the holders disqualified for two years if found keeping an uncleanly, disreputable or insanitary house, or selling liquor to Indians; (4) penalties for adulteration of liquors; (5) that the holder of a tavern or shop license should not bind himself in any contract to purchase liquor from any one person or locality; (6) for granting licenses, under proper safe-guards, to firms and incorporated companies; (7) for making the hours and days in which liquor should not be sold uniform throughout the Province —except that the hour of closing in townships, villages and unorganized territories was maintained at 10 o'clock on other days than Saturday—and that there should be no sale of liquor during school elections or liquor by-law votes; (8) for increasing some of the penalties imposed, protecting witnesses in prosecutions, enabling municipalities to appoint a special officer to enforce the Local Option law and regulating sales under medical requisition; (9) for the granting of vessel and dining-car licenses. Mr. Hanna briefly reviewed the Government's position and a part of his measure as follows:

The policy was well known to the public through repeated declarations of the Premier that the Government would enforce the License law thoroughly and impartially. The new Bill, in the first place, clearly

defined what constituted an intoxicating beverage. It provided for uniformity in the regulations of license boards, and guarded against certain of the confusing and vague regulations behind which offenders now sheltered themselves. By licensing bartenders it gave license boards control over the men who actually sold the liquor, thereby making for a better observance of the law, and securing some check on the character of the men. The fact that the man who helped to violate the law would suffer as well as his employer, the license-holder, would have a salutary effect in preventing violations. The new provisions requiring inspectors to strictly differentiate between first and second offences would also have a large influence in making license-holders adhere strictly to the law. The protection afforded to witnesses under the new Act would remedy present difficulties in getting at the whole truth in order to secure convictions. On the third offence a licensee must lose his license without recourse, and the law in this respect could not be evaded as at present.

The Opposition Leader approved of many parts of the Bill, and of its general tendency, as being progressive and "calculated to satisfy the demands of Temperance." He objected, however, to the increased fees as likely to encourage liquor sellers to the enticing of men to drink; thought that in Toronto the fees should be graded so as to ensure large hotels paying larger fees and so on; regretted the reduction in time for voting on repeal of Local Option by-laws; objected to the provision as to a three-fifths vote in the passage or repeal of those laws; and declared that the municipal appointment of officers to enforce the Act might lead to dual responsibilities and therefore difficulties. The Toronto *Globe* (March 21) took the following view of the legislation: "The amendments are of the nature of license, not of prohibition. They are regulative rather than restrictive. The prohibition of the 'tied house' system will be a disappointment to the brewers, especially the Toronto brewers, and the reduction of the Local Option period from three to two years and the requirement of a three-fifths vote will be a sore disappointment to the temperance people. Still more objectionable, absolutely objectionable, is the return to the abandoned system of vessel licenses. To introduce the bar business on these steamboats is surely unnecessary and dangerous. In other respects the amendments are for the most part such as experience had proved needful in the working of the License system."

On March 28th a deputation from the Dominion Alliance Convention waited on the Government to oppose the Local Option three-fifths vote clause in the name, said Mr. F. S. Spence, of a gathering of 500 people who represented a large body of the electorate. "It was not," he declared, "fair, British, or honourable to put the Temperance people at this disadvantage, and it was a jug-handled treatment which should not be allowed." Premier Whitney pointed out that the Clause affected the Liquor men as it did the others, and declared that the Government expected to be traduced and was, in fact, being criticized by both sides. It would do its duty to the whole people in this matter. Two days before this the London Temperance League had declared the measure one which would not reduce the number of licenses, nor the

amount of liquor sold to any appreciable extent, and would not satisfy advanced Temperance sentiment. At the Toronto Alliance Convention, already mentioned, the issue was vigorously presented by the Rev. Dr. Carman as one of Prohibition on their part and nothing less. "Liquor must be banished from the land."

A large delegation of some 350 License holders from Hamilton, Kingston, Ottawa, Brantford, Shelburne, Penetanguishene, Bracebridge, and other parts of the Province, as well as from Toronto, waited upon the Government on April 4th to protest against the higher fees and some of the proposed regulations. Mr. James Haverson was the spokesman and asked that the serving of guests with liquor in hotels on Sunday be legalized; that the proposed fees be reduced at least one-third; that a limit be placed on the powers of municipalities to increase the license fee and that the transfer fees be lowered; that the right of decreasing licenses be taken away from municipalities as conducive to purity in politics; that certain penalties be remodelled and that the liquor dealer be allowed the same privilege in making contracts as anyone else; that shop-keepers be allowed to sell to children over 15, having a note from their parents, and that hotel-keepers be given the right to keep open on week-nights until 12 o'clock; that witnesses who had violated the law should not be protected; that bartenders' licenses be eliminated and cancellation of licenses confined to certain specific offences.

In his reply the Provincial Secretary stated that the sooner those engaged in the traffic interested themselves in the enforcement of the law, not only on their own premises, but generally, the better he would like it and he would welcome the aid of the trade. As to the increase in fees he pointed out that a monopoly had been created through the steady reduction in licenses, and it was only fair that some portion of the profit should be returned to the public. Protection of honest witnesses should have the support of the trade. Modification in the offences entailing cancellation was promised. The "tied house" was an evil which the Government proposed to discourage. Selling until 12 p.m. could not be allowed, as public sentiment was clearly against it. Mr. Whitney added, in his remarks, that between the extreme views represented by Mr. Haverson and by Mr. Spence stood the Government and the mass of the people.

The Legislature discussed the Bill on March 29th when Mr. Hanna intimated that the law affecting Sunday selling in hotels would not be changed; that canvassing for orders would not be interfered with except in Local Option places; that for some trivial offences against regulations cancellation of license might be considered too severe a penalty; that the vessel license clause did not refer to boats making short trips but to such vessels as plied between Toronto and Montreal. The clause would probably be eliminated. He defended strongly the Local Option clause and declared that where no compensation was given there should

at least be a good majority in the enforced closing up of an hotel business. The Hon. G. W. Ross took the ground that the liquor trade was a menace to the whole people and that no hindrance should be put in the way of hostile agitation and voting. He favoured enforcement of the law against liquor selling on either steamboats or trains. Various discussions followed and the measure passed its third reading on April 26th after the House had voted down by 64 to 21 the Opposition Leader's Amendment proposing to substitute the words " a bare majority " for " the three-fifths of the votes polled " enactment. Following this there were some severe Temperance criticisms of the new law. The Hamilton Methodist Conference in June viewed it with " amazement and indignation," through its Temperance Committee, and declared the duty of the hour to be a vote for only such party and candidates as would undertake to repeal this clause and re-enact the Liquor Act of 1902. The Toronto Methodist Conference approved, with some strong dissentients, a similar protest against the legislation. A further result of the new law was an all-round increase in the retail price of liquors.

Meanwhile, Mr. W. K. McNaught had introduced a Bill in the Legislature aiming to make " treating " unlawful and punishing all concerned in this old-time custom and pernicious habit. After a prolonged discussion on April 4th, in which there was general concurrence as to the evils resulting from the practice, the Bill was withdrawn for the current Session. Mr. Whitney expressed himself as follows: " Whenever it can be shown to me, and I am in a receptive mood, that legislation of this description is within our power and right, and will have the desired effect, no man in this Province will go farther than I will in bringing this legislation about. I am not convinced on either of these points." The Liberals endeavoured to make party capital out of the License administration in the matter of granting licenses and of appointing Commissioners and Inspectors. In the Legislature on March 29, the Opposition Leader charged the Government in this respect with partisan administration and reviewed the political affiliations of the new Inspectors and Commissioners in South Oxford, East Hastings, Kingston, South Grey, East York, North Wentworth, West Wellington, South Lanark, Lincoln, Prescott, Centre Bruce, Peel, Parry Sound and East Elgin. In nearly every case, he said, the appointees had been men well known for their prominence in the Conservative party. Replying to these remarks Hon. Mr. Hanna declared that the new men in charge of the License law were very properly men of prominence in their communities, and that he did not object to personal political views so long as the law was rightly administered. He was proud to know that the course now being pursued by his Department as to reform in License law enforcement, had met with general approval from all parts of the Province. He quoted letters from the Canada Temperance League, the Municipal Reform Association

of Toronto, the Toronto District W.C.T.U., the Official Board of the Davenport Methodist Church and from the Rev. T. Albert Moore, and others, heartily congratulating the Government upon the better enforcement of the law during the past year. Some of the appointments and changes in this respect created special discussion—notably in East Kent and West Peterborough. On Oct. 13th the Provincial Secretary was able to announce that in New Ontario, about which some discussion had taken place, the licenses issued for the license year 1906-7 numbered 175 tavern and 21 shop; as compared with 183 tavern and 25 shop in 1904-5; and 177 tavern and 24 shop in 1905-6.

Ontario Mining Policy and Northern Affairs

The Cobalt discoveries and development created during 1905 and 1906 conditions which no Government could overlook, and which the Whitney Government hastened to meet. Legislation as to Mining matters was expected and it was given while the important question of titles in mining properties was dealt with by Executive and other action. By an amendment to the existing law the right of mining companies to issue shares at a discount and without personal liability was removed. On April 3rd, the Prime Minister made a most important announcement—that the Gillies timber limit, situated near Cobalt and withdrawn from prospecting in the previous August, would be held and worked by the Government. The region projected into the Cobalt territory to within half a mile of the town of that name and was believed to contain within its 3½ square miles an area as rich in minerals as was Cobalt itself. Prospectors and capitalists had been waiting for it to be opened up and many were the rumours as to offers made to the Government for an opportunity to exploit its supposed wealth. Mr. Whitney's words in the Legislature were as follows:* "The Government, after considering the circumstances and conditions up there, have decided that after the timber is removed on Oct. 1st they will not dispose of this valuable area, it being our property. We will keep it, and we will use it, develop and mine it, for the benefit of the people of the Province of Ontario."

It is rarely that a Government announcement evokes such a chorus of congratulation and praise as did this one. The press was almost unanimous in expressing satisfaction though, of course, there were some displeased individuals in addition to those, not altogether a small class, who did not believe in the principle of Government ownership under any conditions. But the sound of objections and the voice of criticism were very faint. The Ottawa *Citizen,* of April 6, after describing the policy as one of constructive statesmanship, proceeded in words which, upon the whole, embodied public opinion: "From one end of the Province to the other the action is cordially endorsed by the press of both sides of politics. It is a radical departure which appeals to the spirit of enterprise in the people who believe that the public should bene-

*NOTE—*News* Report, April 4th, 1906.

fit directly from the great natural resources of the Province, and not merely turn them over at a nominal figure to enrich private corporations." A further announcement was the decision of the Temiskaming Railway Commission, acting under advice of the Government, as to a 3½ miles right-of-way concession along the route of the Railway. Tenders were to be invited for mining concessions with the following conditions: a yearly rental of $500 for site of mining buildings; payment of $50,000 a year bonuses for the concession itself; a royalty of 10 per cent. on all ore taken, up to a value of $400, 25 per cent. between $400 and $1,000, and 50 per cent. on all ore over $1,000 in value. These, Mr. Whitney added on April 3rd, were the lowest terms, though higher ones would also be considered.

In April a new Mining Bill was presented to the Legislature by Hon. F. Cochrane, Minister of Lands and Mines. Its terms were marked by great caution and considerable knowledge. It aimed, briefly, at an uniform law for the Province, the decentralization of the machinery of administration, protection to the prospector and security in titles, with consequent protection to the investor. The heavy advance in yearly production and the growing importance of Northern Ontario as a mineral country; the many anomalies in the existing Act—the various methods, for instance, of taking up mining lands from the Crown; the apparent encouragement given to mining speculation under current laws; the necessity of a title subject to working conditions and the demand for simpler regulations; these were the reasons for legislation and the basis of the new Act. Summarized, its terms were as follows:

1. Appointment of a Mining Commissioner with wide powers. A miner's license, costing $10, necessary to the search for minerals. Anyone who wished to hold mining lands must procure a miner's license, good throughout Ontario, and costing $10 yearly.
2. Division of the Province into mining sections, in each of which, where there is sufficient business to warrant it, a Mining Recorder's office to be opened.
3. A claim to be a square of twenty chains to a side, and containing 40 acres.
4. Actual discovery of valuable mineral necessary in order to obtain a title to mining lands.
5. Working permits on certain conditions.
6. Prospecting permits for petroleum, natural gas, coal and salt, good for one year and covering 640 acres, on payment of a fee of $100.
7. Patents indefeasible and not subject to any further working conditions.
8. Mining partnerships regulated.
9. Miners and mine labourers placed on the same level as mechanics under the Lien Act in respect to enforcing collection of wages.
10. Improved regulations for securing the health and safety of working miners.
11. Repeal of all previous legislation except such as was expressly included, without detriment, however, to rights acquired, or liabilities or penalties incurred, under the previous law.

Wide discussion followed this announcement of policy and legislation. Upon the whole comment was favourable though the

Opposition press seemed to regard the measure as a descent from the high ground of Provincial ownership reached in the Gillies Limit arrangement and to deem the indefeasible right of the miner as incompatible with the indefeasible right of the whole community. Upon another point *The Globe* of April 16, made the following objection: "There is only one sure way to safe-guard the public interest in minerals and that is to lease mining franchises, not sell them. One of the conditions of the leasehold should be that the lessee must go on raising ore, and that when he stops doing this his franchise becomes forfeited. In no other way can speculation on the unearned increment be eliminated, and this kind of speculation is absolutely incompatible with public rights." The Government took strong ground in succeeding Legislative discussions against royalties and in favour of a permanent title as being just as fully due to the miner as ownership rights were to the farmer. The miners' license fee was objected to in some quarters. Upon Dec. 5th the matter of mining titles was discussed in *The Globe* by the Opposition Leader and Mr. Ross seemed to be at one with the Government on the point of making patents secure. "Once the patent passes there should be no room for doubt and, unless in the case of unmistakable fraud, there should be no reference to the Courts and no re-consideration by the Government."

Mr. Cochrane's first Report as chief of the Department of Lands and Mines was made public in March and showed total collections for the calendar year of $2,199,404, of which $2,064,663 was from woods and forests and $14,622 only from Mining leases. Connected with the Government's railway and mining policy was the trip of the Legislators up through New Ontario in May, 1906, and the study of the country at first hand by those who had charge of its affairs at Toronto. A question sometimes mooted—usually in Opposition papers—was that of an alleged restlessness and discontent in this new country; chiefly with the Government's mining policy. There was said to be talk in some quarters of separation from the rest of the Province but, if so, it did not crystallize into active advocacy or serious expression. A meeting was held at Cobalt on July 3rd and the Government was asked for certain modifications in its Mining law with a suggestion that the northerly 6,400 acres of Gillies Limit be surveyed and allotted to the licensed explorers of 1905 and 1906. An Assay Office and a local Recording Office for the Township of Coleman were also demanded. A delegation was appointed and waited on the Premier three days later. Proceedings and discussion by the delegates were rather irregular and Mr. Cochrane intimated, finally, that nothing could be done as to the principal requests presented.

On July 26th Mr. W. G. Miller, the Provincial Geologist, reported that a vein of ore rich in silver had been found on the Gillies Limit in the course of the preliminary operations for which $25,000 had been voted at the past Session of the Legislature.

Upon this point Mr. R. R. Gamey told *The World* on July 30 that "the Government has made an exceedingly rich strike close to the ground the Nipissing people own. I did not see it, but a friend told me that it looks like one of the richest in the camp. I have no doubt the northern portion of the Limit will net several millions of dollars to the Province." It may be added that in one of the more important actions brought by the Government to vacate mining leases, on the charge of inadequate claims of discovery, a decision in the Hargreaves' and White Silver Mining Company case, favourable to the Government contention, was given on June 25th.

The Ontario Budget and Financial Conditions

In the Legislature on Mar. 8th Mr. T. H. Preston attacked the Government for increasing its expenditure on Civil Government by $57,000 in the past year, and compared this with an alleged Liberal increase of about $40,000 per decade. The Provincial Treasurer, Hon. A. J. Matheson, explained that a new system of book-keeping was now in vogue but, in any case, the present Government was paying its way—to which Mr. Ross interjected the remark that his Government had left a cash surplus of $2,800,000. The Treasurer denied this on the ground of outstanding debts, declared that there had been an actual yearly deficit in late years between revenue and expenditure, and commented upon the surplus of the past year as having been obtained by a business-like administration.

The Budget was presented by the Treasurer on Mar. 20th. For the calendar year 1906 the total receipts had been $6,016,176 and the total expenditures $5,396,016, with a surplus of $620,160. The excess of ordinary revenue over ordinary expenditure had been $480,000; the excess of capital revenue over capital expenditure $140,000. For the current year he estimated a revenue of $5,921,000 and an expenditure of $5,858,000, leaving an expected surplus of $63,000. Colonel Matheson proceeded to point out with pride that the Government, while making liberal provision for increasing the salaries in the Civil Service, for progressive legislation in every Department, for important reforms and increased expenditure in the educational system, and for the vigorous development of the natural resources of the Province, was still living within its income and would have more than enough also in the current year to cover the supplementary estimates which still remained to be brought down. He described his financial policy and that of the Government as providing for better roads throughout the Province; for a great step toward the completion of the Provincial Railway; for improvements in public buildings and public works and the better and more efficient administration of justice throughout the Province; for the development of its great mining resources and the better care of the sick, the insane and the general health of the people; and in-

creased assistance given to the relief of local taxation amongst the people.

The Treasurer then reviewed the situation of the Temiskaming Railway which, he estimated, when completed to the Abittibi River—a distance of 253 miles—would have cost about $9,000,000 and stated that in the past ten months the earnings of the Railway had totalled $113,000. He believed the net earnings this year would pay the interest on the bonds, provide for a sinking fund, and pay ½ per cent. dividend. The new Temiskaming Loan was then dealt with at length. Hon. Mr. Harcourt on Mar. 22nd delivered an elaborate general defence of the late Government's financial policy and its expenditure, as he claimed, of the people's money upon the people's best interests. Normal School establishment and free text-books for the schools were amongst the reforms mentioned. Another important Opposition speech was that of Mr. T. H. Preston on Mar. 27th. He censured the Treasurer for not obtaining the good offices of the Dominion Government in having the bonds of Ontario placed on the list of trustee securities in Great Britain; for losing to the Province an alleged sum of $120,000, or twice that amount, by placing its first 3½ per cent. loan upon the market below par; for pursuing "a faulty system of book-keeping" which accentuated past liabilities and minimized assets.

The Hon. George W. Ross spoke on Mar. 29th and moved a Resolution censuring the Government for selling the Temiskaming securities below par. In his speech he claimed the expenditures for 1906 to exceed the last year of his own Administration by $130,000 and the estimated expenditure for the current year to go $230,000 beyond his own figures. He alleged a total increase, with supplementaries, of over $700,000 and a probable deficit in 1907 of $100,000. He criticized the Treasurer severely regarding the Temiskaming loan affair and, in doing so, stirred up a most vigorous retaliatory speech from Colonel Matheson with a specific charge against Mr. Harcourt of having made an agreement in London, while temporarily acting for the Treasurer, as to the original Loan—one which tied the Government up to a single firm of bankers at a figure netting the Province about 93 cents on the dollar. Amongst the papers left in the Treasury Department, he went on, was a copy of an agreement signed by Mr. Harcourt at New York on Oct. 10, 1904. "The terms of that agreement were that the Government was to issue Treasury Bills to the amount of £1,200,000 for six months, to mature on May 15, 1905, payable at the banking house of Glyn, Mills, Currie & Co. at London. The sale of these bonds was to be negotiated through Coates, Son and Co. at a price representing a rate of interest not exceeding 4 per cent. per annum. The sale of the bonds during the currency of the bills, or later, was to be entrusted to Coates, Son and Co."

When he (the Treasurer) went to London in the autumn of

THE HON. ADAM BECK, M.L.A.
Minister without Portfolio, Ontario.
Appointed Chairman Hydro-Electric Power Commission, 1906.

MR. A. H. U. COLQUHOUN, B.A., LL.D.
Elected President of Canadian Press Association.
Appointed Deputy Minister of Education, Ontario, 1906.

1905 to negotiate for the taking up of the Treasury bills he went to Coates, Son and Co. and asked what was the best they could do. They said they might be able to make a flotation at 96, less their commission, which would have netted to the Province only about 93. He told them, however, that, as Treasurer of the Province he did not recognize the agreement; that it was his duty to protect the Province against any such agreement. It had, accordingly, been repudiated with the result of a possible law-suit and of positive claims for brokerage totalling $15,000. As the Treasurer proceeded with his statement, Mr. Ross, the late Premier and Treasurer, interjected the remark: "I did not know there was such an agreement. This is the first I knew of it." Mr. Harcourt claimed, in reply, that there could be no concealment in the matter when he had left a memorandum in the Department describing it in detail. He stated that he had gone to Coates almost altogether at the instance of Lord Strathcona, Canada's greatest friend and an illustrious financier, who entrusted his own private affairs to a junior partner of that firm. The house was a most reputable one and one of the strongest in London. The agreement did not preclude the Government, of which he was a member, or its successors, from negotiations in the interest of the Province. "Negotiations" was the word and, as he had told Mr. Colmer, Mr. Coates and Mr. Hanson, ten times over, the Province was about to make its first venture in the financial world and it must be at par.

On April 5th the subject was again the cause of a hot discussion when the Premier described Mr. Harcourt's negotiatory trip to London and referred to arrangements discussed, though not concluded, with Mr. W. Harty, M.P., of Kingston, under which he and some New York associates were to have taken up the Loan. On August 30, 1905, he stated, Mr. Harcourt cabled the then Premier: "What does Harty offer for bonds?" and, on the same date, Mr. Ross replied that "Harty offers 93½ plus commission of $25,000. Will cable you again to-morrow." On the following day, Mr. Harcourt cabled that a loan in London was impossible and that acceptance of Mr. Harty's offer was justifiable as the amount offered was equal to 97 in London. There was no further record in the matter except a request by Mr. Harty for more time. Mr. Harcourt declared that he had no understanding of any kind with Harty nor did he believe that any member of the late Government had such an understanding; that he did not know what the word "commission" was used for, but thought it must have been intended for "bonus"; and that there was nothing in the whole transaction he was ashamed of. Mr. Ross made the same contention as to the word "commission," and claimed it to be a not unusual bonus in the premises. He scouted the idea of anything improper. "We were both engaged in a business transaction. I would be ashamed of my existence if it ever occurred to me that I was to share, as a member of a

Government, in any profits. The conception of it would freeze one's blood. And I am sure Mr. Harty would feel the same. It never occurred to me." Following this debate a vote upon the Opposition motion of censure was defeated by 64 to 24. Mr. Harty's explanation of the matter was given in *The Globe* of April 11 as follows:

> I went to New York at the request of a banker who was endeavouring to dispose of the bonds of the Temiskaming Railway in the expectation of being able to realize for himself the usual commission paid for the successful sale of such bonds. This gentleman, knowing that I was intimately acquainted with the late John A. McCall, President of the New York Life Insurance Company, requested me to visit New York City for the purpose of placing all the facts in connection with these Temiskaming bonds before Mr. McCall. The latter placed me in communication with the finance committee of the Board of Governors, who failed, however, to make such an offer for the bonds as was satisfactory to the Hon. G. W. Ross, then Premier and Treasurer of Ontario.

On Apr. 18 Colonel Matheson went to New York to rearrange the Government guarantee of the $2,000,000 loan made by the Sault industries under the Ross Administration. He explained the result in the Legislature on May 2nd: " In the matter of the loan commonly known as the Sault Guarantee Loan for $2,000,000, falling due on May 11, the Canadian Improvement Co., whose certificates were guaranteed by the Province, found that they were unable to have the Province relieved of the whole guarantee. After negotiations it was agreed that the Province should release one-half of the collateral securities, being a portion of the bonds, income bonds and stock of the Lake Superior Corporation, and the Canadian Improvement Co. then procured a loan for $1,000,000 without the guarantee of the Province. It being found that the further sum of $1,000,000 required could not be obtained without the Provincial guarantee the Government, under authority of the Act passed during the present Session, guaranteed certificates for $1,000,000, payable with interest at the rate of 5 per cent. per annum in six months from May 1. Upon these the Canadian Improvement Co. obtained a loan of $1,000,000. The whole of this $2,000,000, principal, and the $50,000 interest was paid into the Morton Trust Company on May 1." On Nov. 1st this guarantee was renewed until April 1, 1907.

Meantime, and aside from personal charges as to the terms of flotation, there had been much discussion concerning the arrangements for taking up the temporary Temiskaming loan of £1,200,000 standing since November, 1904, and its replacement by Provincial bonds. The new Treasurer had renewed the Treasury bills in May and November, 1905, and had to meet them again on May 15, 1906. To do so he handed the arrangement of a Provincial loan over to the Bank of Montreal, and in the Legislature on Mar. 15th he was able to make this announcement: " The Government has arranged with the Bank of Montreal for the issue of a permanent loan on Ontario inscribed stock

in London, England, for the same amount of £1,200,000 sterling to redeem these Treasury bills. The stock will fall due on 1st January, 1946—it will be a forty-year loan—and interest will be payable half yearly at the rate of 3½ per cent. per annum on the 1st of July and 1st of January. The issue price will be 98½ and an arrangement has been made with the Bank by which the Province will pay interest on 1st July next only from the 15th May (nine shillings per £100)." The statement was received with cheers in the House and Colonel Matheson went on to say that the net result would be $350,000 in advance of the rate offered for the proposed Loan in 1903; $50,000 in excess of any offers received in 1905; and slightly in excess of any offer made in the current year. Reviewing this Loan in an interview Mr. R. Wilson-Smith, a prominent financier and ex-Mayor of Montreal, said on Mar. 20th that:

> **Taking the existing monetary conditions and, as far as we can judge, future prospects, it speaks volumes for the great credit of the Province of Ontario to have its loan accepted at these figures. I consider 98½ for 3½ per cent. debentures an excellent price, and it is one which compares favourably with similar Government loans which have been issued within a recent period. Both the Government and the Bank of Montreal are to be congratulated upon placing the loan on such favourable conditions.**

The Opposition was not so well pleased, however, and *The Globe* led in a vigorous campaign to "Stop the Loan." It claimed that a public sale of the bonds would have netted the Province more than any sale made through financial interests and quoted a Cleveland Administration (U. S.) Loan of $100,000,000 in 1895 which strengthened the point. On Mar. 20th its position was stated as follows: "If Ontario were frequently resorting to the markets for loans, the course that is now being taken by the Government might be the only one open. Being the first loan, and it may be the last for many a day, the device of a popular loan is amply justified and its success does not admit of any doubt. Why then should the Government take another course which will insure a loss of over $100,000? There need not be delay in any case, for the parties who are now bidding 98½ could, if they chose, send in that bid for the whole amount, and if there were no better bids the loan could be awarded to them." Nothing came of this party suggestion, the Government and its friends maintaining that the best possible arrangement had been made. On July 1st a direct Provincial issue of $3,000,000 bonds, half payable in 1926 and half in 1936, was made. Subscriptions from the public were invited, 3½ per cent. interest, payable half-yearly, was offered, the issue price in July was to be at par and after that month par and accrued interest, and freedom was guaranteed from all Provincial taxes and impositions. Its object was to be payment of present and immediate expenses on the Temiskaming

Railway. By August 2nd, $1,850,000 had been subscribed, and on Nov. 28th the Treasurer announced that the whole of the loan had been taken up.

Earlier in the year, the announcement had been made in the Legislature (Apr. 9th) that Mr. Justice Burbidge had given judgment in the action of the Province against the Dominion respecting the reduction by the latter of the interest on Provincial trust funds, other than the Common School fund, from five to four per cent. It declared that the Dominion Government had no power to reduce the rate of interest from five to four per cent. without the consent of the Provincial Government. At the same time the judgment stated that the Dominion Government could, at any time it pleased, relieve itself of the trust by paying off the principal of the funds. It may be added that the receipts and expenditures for the calendar years 1905 and 1906, together with the Provincial Assets and Liabilities in 1906, were as given in the following tables:*

Receipts.	To Dec. 31, 1905.	To Dec. 31, 1906.
Dominion Subsidies and Grant	$1,339,287	$1,339,287
Interest	169,668	161,135
Crown Lands	2,188,898	2,266,387
Licenses	377,610	579,207
Law Stamps	93,516	85,945
Secretary's Department	131,059	208,023
Taxation of Companies	445,688	644,201
Succession Duty	684,178	1,015,713
Public Institutions	148,120	277,441
Temiskaming and Northern Ontario Railway	....	158,154
Casual Revenue	139,390	173,819
Miscellaneous	298,754	240,158
Total	$6,016,168	$7,149,470

Expenditures.	To Dec. 31, 1905.	To Dec. 31, 1906.
Civil Government	$ 374,975	$ 428,280
Legislation	211,107	215,195
Justice	501,524	544,826
Education	1,131,799	1,270,921
Public Institutions (maintenance)	907,307	957,347
Agriculture	405,534	432,296
Hospitals and Charities	268,182	334,169
Colonization Roads	178,313	219,559
Charges, Crown Lands	321,731	476,660
Annuities	102,900	102,900
Railway Aid Certificates	....	130,860
Interest charges and Sinking Fund	....	158,154
Miscellaneous	636,799	1,080,152
Public Buildings and Railway Subsidies	355,837	....
Total	$5,396,008	$6,720,165

* Note—The cents column is not given, but it averaged about $8.00 in each total of the Receipts and Expenditures.

I. Cash and Debenture Assets of the Province, Dec. 31st, 1906:	
Balance in Banks	$ 3,497,239
Sinking Funds	30,591
Debentures	173,997
Total	$ 3,701,827
II. Trust Funds held by the Dominion:	
Upper Canada Grammar School Fund and 250,000 acres of land	$ 312,769
Seigneurial Tenure set apart for Upper Canada local purposes	1,472,391
Land Improvement Fund	124,685
Common School Fund	1,473,001
Total	$ 3,382,846
III. Direct Liabilities of the Province:*	
Debts due to Dominion as settled by Arbitration	$ 1,737,190
Ontario Government Inscribed Stock, £1,200,000	5,840,004
Ontario Government Bonds and Stock	3,000,000
Railway Certificates, present value	2,306,822
Annuity Certificates, present value	1,610,200
Common School Fund Collections	6,694
University of Toronto Certificates, present value	541,073
Total	$15,041,983
IV. Indirect Liabilities of the Province:	
Algoma Central and Hudson's Bay Railway and Associated Industries guaranteed Loan	$ 1,000,000
Niagara Falls Park Bonds	600,000
Canadian Northern Railway guaranteed Debenture Stock, £1,101,369	5,360,000
Total	$ 6,960,000

Ontario Railway Legislation in 1906

To a Municipal deputation which waited on the Premier early in the year from the Counties of Wellington, Waterloo, Halton and Perth, Mr. Whitney stated that the additional taxation of Railways was then being considered by the Government. For years, it may be added, there had been a demand for railway taxation to supplement that borne by other corporations and by the individual. The late Government had taken some steps in the matter and a Royal Commission had reported on the general principles and practice of such taxation.† In the House on Apr. 25th the policy was amplified and developed through legislation presented by the Hon. Mr. Matheson and afterwards passed into law. The Treasurer explained that upon steam or electric lines over 150 miles in length the present rate in organized districts of $30 for each mile of single track and $10 additional per mile of double track would be doubled, respectively; in unorganized districts the present figures of $20 single track and $5 additional double track would also be doubled. The tax would also apply

* NOTE—Against the $8,840,004 of Government Bonds and Stocks stands the asset afforded by the Temiskaming and Northern Ontario Railway, upon which $9,248,454 had been expended by the end of the year.

† NOTE—See *Canadian Annual Review* for 1905, pages 291-293.

to electric railways over 150 miles in length and running over their own right of way; under that distance in length both steam and electric lines would pay a tax of $15 a mile for one track and $5 per mile for each additional line of track. The railways operated within City limits would be taxed $10 per mile for each line of track without such limits. These increases were estimated to add from $180,000 to $190,000 to the Provincial revenue and to bring its total up to about $375,000 in this connection. One-half of these total receipts—less the sum of $30,000—was to be yearly allotted to the municipalities in proportion to population and against this credit there was to be charged a proportion of the Provincial expenditure upon asylums, etc.

As to this increased taxation the Railways complained strongly that the rates were excessive; that no fair comparison could be made with United States lines because net earnings there were three times as great as in Ontario; that with Provincial taxes, municipal taxes totalling some $300,000 a year, and the coal tax, Canadian railways were paying half as much again as American lines. A deputation of legal men waited upon the Government on May 3rd and presented this Railway side of the case for consideration. Mr. H. J. Pettypiece, the former Liberal member of the Legislature, who had made the railway taxation matter his specialty, objected to the measure as not carrying out the recommendations of the 1905 Commission; as unfair and inequitable between the railways themselves; and as discriminating, through its uniform rate, against the Canadian lines running through sometimes thinly populated country and with small returns, in favour of United States lines having a foreign backing of rich country regions and, in cases like the Canada Southern, running through the best parts of Ontario. He had a lengthy article in *The Sun* of May 2nd claiming that under the new measure the taxation of 6,320 miles of railway in Ontario would net $365,875 while, under the 3 per cent. plan proposed by his Commission, the return would have been $1,405,902. The answer to this argument in the main was that the Commission's plan was impracticable and probably not within the powers of the Province. The farmer's newspaper, *The Sun,* also criticized the rate of taxation as insufficient. Upon the other hand the Province as a whole appeared to strongly approve of it, as did the great bulk of the press.

A little later, on Mar. 12, Hon. J. S. Hendrie introduced two Government measures which were both radical and sweeping in their terms and were applicable to all railways under Provincial jurisdiction whether incorporated or to be incorporated, whether steam or electric. This legislation created an Ontario Railway and Municipal Board to which large powers of initiative and control were given; established a practical standard rate of two cents a mile over more than three miles of electric railway; provided for the settlement of problems connected with the entrance of

radial lines into cities through the authority of the new Board; placed a limit of 25 years upon the granting of all electric railway franchises; protected the public safety by clauses compelling electric railway companies to adopt approved appliances as to guards and brakes; gave conductors (except on street railways) the powers of constables and ordered a centre aisle in street cars; allowed municipalities to take over electric car line franchises at a valuation upon the expiration of their 25 years' limit; established a standard gauge of 4 feet, 8½ inches, and gave compensation for property damaged under specified conditions; refused to allow any extension of Sunday cars under Provincial charters; provided for the examination of prospective motormen as to general fitness for the work and for any continuous duty of 25 hours to be followed by 12 hours of rest; enacted that no railway can contract itself out of liability to pay compensation to employees injured or killed by defective machinery.

As to the new Railway and Municipal Board its authority was far-reaching and extensive. All the powers of the Railway Committee of the Executive Council of Ontario were vested in it, as well as those of a Court of Record; the salary of the Chairman was to be $6,000 and of the other two members $4,000, with a Secretary at a sum not exceeding $2,000; the decision of the Board upon any question of fact was to be binding and conclusive upon all companies and persons in all municipalities and courts; except in specified cases there could be no review of its proceedings, legal injunctions, or other stays in action; it was given special authority to regulate the arrangements as to protection of employees and the public on railways; appeals were to be from the Board to the Ontario Court of Appeal upon a question of jurisdiction or of law and with the consent of such Court; appeals were also to be in matters of over $4,000 in value and relating to the duration of a privilege to operate railways along the highways, or as to the construction of an agreement between a railway and a municipality, or as to any demand affecting the present and future rights of the public to appeal to the King and his Judicial Committee of the Privy Council; authority was given the Board in connection with municipal territorial changes, city and town annexations, alteration of municipal boundaries and limits; power of approval or confirmation of by-laws affecting municipal debts, finance, etc., where previously required by statute from the Lieut.-Governor-in-Council, was granted; grievances or disputes between railways and employees could be submitted for the Board's determination and settlement with the duty of mediation in any strike or lockout; the right to order the enforcement of municipal and railway agreements under certain conditions was given; the power of hearing assessment appeals in amounts over $20,000 was allowed.

This sweeping legislation met with widespread approval—one of the few critical expressions being an Opposition fear that the Government was giving the Railway Board too great authority.

The News of Apr. 18th had the following editorial tribute: "The Railway Bill is one of the most remarkable and comprehensive measures ever presented to the Legislature. It is marked by simplicity of detail, directness of purpose and single-minded concern for the vital public interests involved in the relations between the municipalities and street and electric railway companies. It provides an easy and simple solution of many vexing questions and is particularly noteworthy for the very practical machinery devised for the execution of its provisions."

On May 9th the Premier announced that two small lines in Northern Ontario would receive subsidies. The Bruce Mines and Algoma Railway, 25 miles in length and connecting with important copper mines, would be given $3,000 a mile and the Canada Central, or any other railway meeting the object, would be given a bonus of $5,000 a mile to connect Little Current (53 miles) with the Railway 13 miles from Sudbury—thus providing an outlet for the people of the Manitoulin Island. On July 26th it was announced that the Government would guarantee the principal and interest of debenture stock of the James Bay Railway, or Canada Northern Ontario Railway Company, as it had become, to a total of $5,360,000 for its line between Toronto and Sudbury—258 miles at $20,000 per mile.

Educational Policy and Toronto University Legislation

One of the chief matters before the people of Ontario in 1906 was the University question and the wider problem of improvement in educational conditions generally. The Whitney Government was pledged to reform at both ends—higher education and the public schools. Much was needed and yet there could be no doubt that, despite the centralization system to which Conservatives objected, a good deal had been done under the prolonged Liberal administration of 30 years. The establishment of a School of Science, and Normal Schools, County Model Schools, Kindergartens and free and other Libraries; the encouragement of nature studies, manual training and household science and the study of Canadian history; the creation of uniform standards for teachers' examinations and entrance to High Schools; the making of free text-books and readers optional; the establishment of technical schools, uniform township grants, school gardens, bi-lingual text-books; the creation of a new Consultative Council, etc; whether always wise in details or in principle were all efforts along the line of what is called reform.

How far the system was over-loaded with subjects; the teachers underpaid and inefficient; the University poor and strained in resources and weak in management; the public schools sacrificed to higher educational interests; the output of pupils poor in spelling, writing, grammar and manners; were elements which entered into these matters and formed the basis of the Whitney Government's proposed policy. It was understood at the beginning of the year that this involved (1) the appointment of an experienced

Superintendent of Education; (2) the giving of a substantial voice in educational policy to the teaching profession; (3) the raising of the standard of instruction in public schools; (4) the establishment of several more Normal schools; (5) the improvement of teachers' qualifications and the payment of increased salaries. The first practical step was the appointment, on Feb. 6th, of Mr. A. H. U. Colquhoun, B.A., President of the Canadian Press Association, Secretary of the University Commission and an Editor of the Toronto *News*, as Deputy Minister of Education in succession to the late John Millar, M.A. The appointment was received with practically unanimous approval and by the press with a quite exceptional chorus of appreciation for the qualifications and personality of Mr. Colquhoun.

On April 10th, the Minister of Education, Hon. Dr. R. A. Pyne, introduced two measures in the Legislature of great importance. They crystallized into legislation the Government's policy and boldly met the requirements of a difficult situation. The Minister's speech was devoted largely to explaining the details of the proposed legislation. Its chief features were provision for the appointment of a Superintendent of Education to supervise under the Minister, in a technical and expert capacity, all classes of Provincial, high, public and separate schools, the professional training schools, the work of school inspection, art schools, etc.; for the establishing of an elective Advisory Council representing the universities, the teachers and the school inspectors, which was to have executive powers with regard to the conduct of matriculation examinations, etc., and to act generally in a consultative and advisory capacity with the Minister; for the appointment of a Commission of Inquiry to make special investigations in regard to any subject connected with Education, the first subject for examination being the matter of text-books; for the strengthening and extending of continuation classes in public schools; for increasing the salaries of public school inspectors and giving permanency to their positions; for a better system of training teachers, and for a substantial increase in the salaries paid to rural school teachers by way of increased legislative, county and township grants and the fixing of minimum salaries.

Dr. Pyne pointed out that the location and number of the new Normal Schools were not decided but that if there were four of them the capital expenditure at the outset would be about $200,000 and the yearly charge for maintenance about $75,000. The additional grants in other directions would be in the neighbourhood of $90,000 for the first year and the minimum salary in rural schools, with one teacher, would be $500 and for each assistant teacher $300—as against the current average of $372 for male and $283 for female teachers. It was expected that by providing this increased remuneration—averaging about $100 all round for rural teachers; by abolishing the city and county model schools; by requiring from teachers a Normal School training of at least

one year's duration; and by demanding, at least, a second-class non-professional certificate to teach; the entire professional equipment would be enlarged and improved. In the following year, Dr. Pyne added, the Government would endeavour to consolidate the Acts relating to High Schools and Public Libraries.

There was very little criticism of the measures. The late Minister of Education (Mr. Harcourt) claimed that they might mean expansion, substitution and evolution but that, with the exception of fixing a minimum teacher's salary, there were no new principles enunciated or expressed. He thought the imperfections and weakness of school boards in rural districts should have been dealt with. The appointment of a Superintendent of Education was a mere change of names. The Opposition Leader spoke briefly along the same lines. The Premier, in reply, said that the new Superintendent would be an educational expert, that a Text-Book Commission would be at once appointed, and that the new Council was to be elective instead of nominative as the old one had been. The Bills became law in due course with but little captious criticism in the House or in the press and the policy was at once carried forward by the appointment of Mr. John Seath, M.A., LL.D., Inspector of High Schools since 1884, as the new Superintendent of Education. Mr. James Elgin Wetherell, B.A., Principal of Strathroy Collegiate Institute, was appointed to succeed Dr. Seath, and a little later Mr. H. B. Spotton, M.A., Principal of one of the Toronto Collegiate Institutes, replaced Mr. J. E. Hodgson as second Inspector of High Schools. Mr. R. H. Cowley, M.A., of Ottawa, also become Provincial Inspector of Continuation Classes—a newly-created position. In the August *Westminster,* Mr. Colquhoun, the new Deputy Minister, gave a brief summary of the situation in this general connection:

> In Ontario conditions have grown up which will call for special treatment. The model school training of teachers has in a large measure ceased to be effective and this is to be replaced by more normal schools. Emigration to other Provinces from certain districts threatens the efficiency of the rural school and to meet this a minimum scale of salary has been fixed and the legislative grants to school sections increased. The efforts of public school inspectors have been stimulated by a moderate increase in salary while their independence has been assured by making dismissals from caprice or cabal more difficult. The growth of the new north country renders a thorough revision of the whole system of administration advisable. The settlement of many French-speaking people in certain parts of the Province calls for improvement in the bi-lingual schools and better facilities for producing teachers qualified to conduct them. That expansion of primary school work known as the continuation class is to be fostered and developed. The Provincial University has been re-endowed by the state, with a view to better teaching in all its departments, more particularly in pedagogical training.

A week after the presentation of the Bills in the Legislature the Ontario Educational Association was in session in Toronto and the new legislation was, naturally, the central theme of thought and comment. That it would encourage the school teacher and

that a public school man should be the new Superintendent were two popular ideas in the gathering. The attendance was a record-breaker in numbers and during the discussions in the different sections various special points came up. Principal Plewes of Kent urged the Education Department to furnish materials for manual training work or to compel the Trustees to do so. Principal Briden of Ingersoll declared that few continuation classes did good work. Inspector Colles of East Kent declared that the age limit should be raised in training teachers and that one-half of the rural school trustees should be rate-payers or wives of rate-payers. Approval was given by the Convention to a Superannuation scheme subject to Government aid; a Union of public school teachers was discussed; the High School section passed an unanimous Resolution endorsing the Government's policy and the Chairman, Mr. W. H. G. Colles, declared the Bill to be "the best piece of educational legislation ever produced." Many speakers, including the Minister of Education, eulogized the continuation classes. It may be added that Mr. John Ball Dow, in his Presidential address, urged Trustee representation upon the Advisory Council and the formation of a Dominion Bureau of Education with the idea of, in some degree, nationalizing education. The new President was Mr. William Scott, B.A., of Toronto.

Elections were held in the autumn for the new Advisory Council and it was finally announced in December as composed of the Acting-President of Toronto University (Chairman); the Superintendent of Education; the Rev. Dr. Burwash, Victoria University; Rev. Dr. Street Macklem, Trinity; Professor D. R. Keys, Toronto University; Professor A. P. Knight, Queen's; Rev. Dr. Farmer, McMaster; Rev. W. J. Murphy, Ottawa University; Dr. N. C. James, Western; W. Pakenham, B.A., of Toronto, and S. Martin, B.A., of St. Mary's, representing the high school teachers; Harriet Johnston of Toronto, A. A. Jordan of Port Hope, J. W. Plewes of Chatham, and T. A. Reid of Owen Sound, representing the public school teachers; J. J. Rogers of Lindsay, representing the separate school teachers; W. I. Chisholm, M.A., of Kincardine, and Rev. W. H. G. Colles, of Chatham, representing the public school inspectors; J. Ball Dow of Whitby and J. H. Laughton of Parkhill, representing the school trustees.

Meanwhile, the subject of University education and the position of Toronto University had been dealt with along lines of a strong constructive policy. The Report of the Toronto University Commission, composed of Mr. J. W. Flavelle (Chairman), Dr. Goldwin Smith, Sir W. R. Meredith, Mr. B. E. Walker, Rev. Canon Cody, Rev. D. Bruce Macdonald and Mr. A. H. U. Colquhoun, B.A. (Secretary), appointed in 1905,* was presented to the Legislature on April 6th. A careful, concise and yet exhaustive review of University conditions, history and requirements, this Report was admittedly the basis of the Government's ensuing

* NOTE—See *Canadian Annual Review* for 1905, pages 296, 297.

legislation; though some of the suggested reforms had been already hinted at or advocated from time to time. The Commission had proceeded to work systematically and had consulted representatives of the various governing bodies of the institutions concerned; had visited and studied conditions at the United States Universities of Wisconsin, Illinois, Chicago, Michigan, Cornell, Johns Hopkins, Princeton, Columbia, Yale and Harvard; had held 77 meetings and received a great deal of useful oral and written testimony. As to English Universities there had been available the knowledge and experience of Dr. Goldwin Smith. The general view of the Commissioners was given as follows:

> The labours of the Commission, therefore, have been directed not to the severing of the connection between the University and the State, with which it is inseparably associated to the welfare and honour of both, but to submit such changes of administrative machinery as may tend to harmonize and unify its somewhat disjointed parts and lend new vitality to the whole system. A method has been sought by which the Province might adapt from the experience of other State institutions a plan suited to local conditions. But the inquiries have been pursued for the purpose of reconstruction rather than destruction. We have been mindful of the fact that the University of Toronto, although faulty in its scheme of government, has a history and tradition peculiarly its own. In seeking to apply a remedy to an imperfect set of conditions, we have not forgotten that these conditions are not exactly produced anywhere else, that they have sprung from exceptional causes, incident to the educational situation of Ontario, and that an ideal scheme of university government, pleasing in theory and apparently fortified by examples at home and abroad, might easily prove unworkable here. Nor should it be overlooked that the future expansion of the University, not less than its present needs, is a consideration of vital moment. We have a right to assume that in the years to come the University of Toronto will more and more assert its influence in the national life of Canada; draw to its academic halls students from every part of the continent; and as a fountain of learning and a school of scientific research, worthily maintain the reputation of the past. To limit our vision to the possibilities of the immediate future would be a narrow policy. A scheme of government created to-day must keep in view the gradual but certain enlargement of half a century hence.

After reviewing the history and development of the University from its organization in 1853 and through the changes of 1873; sketching the inception, success and conditions of the Federation movement and indicating the character of the resulting Act of 1887; the Report described the defects of the present system as including (1) divided control and vaguely defined functions in its chief officials, (2) the exceptional and unsatisfactory method in which the powers of the Crown (or Provincial Government) were exercised and the consequent intrusion of political weakness and party conditions, (3) the lack of clearly defined distribution of authority in matters of academic policy, (4) the insufficient revenues of a long succession of years. The following were the summarized conclusions of the Commissioners as to general re-organization:

> 1. The powers of the Crown in respect to the control and management of the University should be vested in a Board of Governors, chosen

by the Lieutenant-Governor-in-Council, and subject by the method of appointment and by the regulation of their proceedings, to the perpetual authority of the State.

2. The Senate, with its legislative and executive powers, and based upon the principle of representation of the federated and affiliated institutions and the faculties and graduates, should direct the academic interests of the University.

3. The School of Practical Science should be united with the University as its Faculty of Applied Sciences and Engineering, and the same intimate connection should, as far as practicable, apply to the relations of the Faculty of Medicine to the University.

4. University College should continue as now constituted, with a Principal, Faculty Council and Registrar of its own, its administration being under the direction of its Faculty Council, subject to the control of the Governors, and appointments to the staff being made on the recommendation of the President of the University.

5. There should be created a Council of the Faculty of Arts composed of the Faculties of all the Arts Colleges and representatives of the federated Colleges, and a Council for each Faculty.

6. There should be created a Caput or advisory committee, having authority in certain matters of University discipline, which may act as advisory to the President.

7. The office of Chancellor should be retained, its occupant to be elected by the graduates and to preside over Convocation and confer degrees.

8. The office of Vice-Chancellor should no longer exist, its functions and duties being transferred in certain respects to the President.

9. The office of President should be clothed with additional powers, making its occupant in fact as well as in name the chief executive officer of the University.

Many minor adjustments and reforms were suggested. Reform in the Medical Faculty, through increased financial consideration from the University and a re-arrangement of its financial system, was suggested; the establishment of a Faculty of Law was recommended through some special arrangement with the Law Society; the organization of a School of Forestry attached to the University was strongly urged as was that of an Art School or affiliated organization, and a School of Music controlled by the University; the establishment of a Department of Pedagogy and of a State Veterinary College with University degrees in Veterinary Science was recommended; the enlargement of the University Library accommodation and the planning and gradual erection of a suitable Museum building were suggested; continued liberal treatment of the Guelph Agricultural College was urged, and the appointment of an advisory board to assist the Minister of Agriculture in his direction of the College work was recommended; interchange of lectures amongst the Colleges, establishment of College residences, assignment of a definite number of students to each Professor, appointment of a Physical Director to examine students and prescribe proper exercise, the formation of a Students' Committee representing the undergraduates as a whole, the organization of a Bureau of Self-Help amongst the students, were all approved or suggested as beneficial reforms; permanence in the appointment of Professors and larger remuneration were urged.

Into the vital matter of finance the Commission entered fully and showed that during the next three years the Government would have to vote, under the legislation of 1905 and existing conditions, $165,095 in 1905-6, $224,518 in 1906-7, and $247,308 in 1907-8—without including the recommended initial expenditures upon new Departments, etc., estimated at $35,000 or $40,000 a year, at least. It was recommended that the Succession duties should be ear-marked, in a way, for the University; that the income of that institution should be fixed by statute at a sum equal to a certain percentage of the Succession duties revenue—averaging $395,163 in the past six years; and that under no system chosen should the University income from the Province be less than $275,000. An endowment of at least 1,000,000 acres from the lands of New Ontario was also suggested. There was general approval of the Report as a very able document though some inevitable differences of opinion existed as to details and regarding the necessity for State control and instruction in some of the subjects mentioned.

On May 2nd, the Hon. J. P. Whitney, Prime Minister, presented a measure in the Legislature embodying practically all the important recommendations of the Commission—except that relating to Land endowment. Mr. Whitney described the history of the University, its troubles and its progress, and made it clear that if he and his Government could prevent it there would be no further financial strain. No political interference would, he thought, be possible under the new conditions, the most capable man who could be found would be selected as President, and an income of $250,000 a year would be appropriated from the Succession duties. Mr. Harcourt, in his reply for the Opposition, pointed out that Toronto University was not alone in having financial difficulties; claimed that the late Government had done all that was possible with its more limited resources; feared that too much State aid might dry up individual beneficence; denied the idea of any past partisan action in the control of the institution; and criticized the details and defined policy hardly at all. In the end Government and Opposition were at one upon all important points and, as finally passed, the Act was to come into force on June 15, 1906. On that date the following Board of Governors was announced:

Two Years' Term—Dr. John Hoskin, K.C. (Chairman), Hon. S. H. Blake, K.C., Sir Mackenzie Bowell, Mr. J. L. Englehart, Rev. Dr. J. R. Teefy, Judge Colin Snider.

Four Years' Term—Mr. Byron E. Walker, LL.D., D.C.L., Mr. G. R. R. Cockburn, Mr. Chester D. Massey, Rev. Dr. D. Bruce Macdonald, Mr. W. T. White, Mr. E. C. Whitney.

Six Years' Term—Dr. Goldwin Smith, Chief Justice Moss, Mr. E. B. Osler, M.P., Mr. J. W. Flavelle, LL.D., Rev. J. A. Macdonald, Mr. H. T. Kelly.

Ex-officio—The Chancellor and the President of the University.

One result of this legislation and re-organization was a suggestion that Queen's University, Kingston, should share in the financial benefits thus conferred upon University education. A lengthy address upon the subject was given by its Chancellor, Sir Sandford Fleming, at a Queen's University Council meeting on May 3rd. He did not oppose but warmly approved the Government policy as a whole. He did, however, think that the great services of his University should, also, be more fully recognized by the Province and he enlarged on the quality of the work done, the sacrifices made that it might be carried on and the non-sectarian character of its education. Toronto University and the School of Practical Science had, he said, received altogether from the Province the sum of $5,277,708 with 3,697 men as graduates—including affiliated Colleges since they confederated; Queen's and the School of Mining at Kingston had, altogether, received $430,970 and graduated 1,402 students outside of the theological courses. In addressing the Synod of Toronto and Kingston, on May 9th, Principal Gordon took the line that Queen's was a national as well as denominational institution and deserved State aid although it did not desire State control.

On May 10th it was announced in the Legislature that President James Loudon of Toronto University had resigned after 14 years' service in that position and 42 years' service upon the Arts staff of University College. He continued to act for a short time but on July 13th made his retirement definite and Principal Maurice Hutton of University College was appointed acting-President. He intimated to the Board of Governors at the same time that he was not a candidate for the permanent post. Dr. Loudon was granted a pension of $5,500 a year and a Committee was appointed by the Governors to select or obtain his successor. Discussion at once took place as to the right man for so responsible a post. It was felt that in the new order of things the Presidency was pivotal and the President's personality and qualifications vital. *The Globe* of June 17th put the matter as follows: "His intellectual sympathies must be broad, his perception clear, and his judgment sound. For the work of administration and leadership his personal qualities of spiritual magnetism, vision and disciplined enthusiasm are as important as his intellectual erudition or academic attainments. Above all other things the man who would make the most of the situation in the University of Toronto during the next ten years must be generous and conciliatory in temper, loyal to the highest ideals and absolutely straight in his moral fibre." Various persons were suggested. Dr. William Osler, it was understood, would not accept the position. President Schurman of Cornell was mentioned but objections were at once raised in connection with his pro-American views and non-British standpoint.* Dr.

* NOTE—In an interview, Toronto *Globe*, May 23rd, Mr. Castell Hopkins quoted the following from an address delivered by Dr. Schurman in New York on Feb. 17th, 1905:

"I do not believe the annexation of all the West Indies and most of the South American States would be a very agreeable thing for us, but the trend is that way. Another problem that faces this

George R. Parkin, C.M.G., was also proposed together with the Rev. Canon Cody and Sir W. R. Meredith. The latter, however, was elected Chancellor of the University by acclamation on Sept. 5th. On December 27th Dr. William Pakenham, Principal of the Toronto Technical High School, was appointed Dean of the new Faculty of Education, or Pedagogy, and Professor of the Science and History of Education.

Turning to general educational conditions it was announced by the Department of Education, on July 16th, that the Normal College at Hamilton would be abolished and its place taken by the new Department of Pedagogy with its affiliated practice and observation schools. After June, 1907, except for two or three of the present Model Schools, which would be maintained to meet the necessities of the poorer counties, there would, it was stated, be only two grades of professional training schools—that for the University graduates and students with senior teachers' standing to be provided at Toronto and that for students with junior teachers' standing to be provided in the re-organized system of Normal Schools. The latter grade of professional training would be looked after by the Normal Schools at Ottawa, Toronto and London and by the new ones at Peterborough, Hamilton, Stratford and North Bay. The new Advisory Council, elected by teachers in all the school divisions—high, public and separate—was chosen by ballot on November 7th, while the representatives on the new Senate of the University were selected on Sept. 5th by the graduates of that institution—the Faculties of Arts, Medicine, Law and Applied Science, with representatives of the High Schools and Agricultural College, being the specific divisions.

Other incidents of the year included the vigorous criticism by the *Canadian Churchman* of certain doctrines of evolution said to be taught in the High School Geography used in the schools since September, 1904, and denounced, with equal vigour, by Bishop Mills of Huron in his Synod address on June 12th and by Bishop Hamilton of Ottawa and Bishop Sweatman of Toronto in their annual addresses on the same date. Messrs. Spotton and Embree of the Toronto Collegiate Institutes, according to press interviews, saw nothing wrong in the volume and its author, Mr. G. A. Chase, declared himself a strong believer in revealed religion. On Nov. 2nd the Judicial Committee in London dismissed the appeal of the Christian Brothers against an Ontario High Court judgment of Mr. Justice MacMahon (July 11, 1904) and thus declared it illegal for that Roman Catholic teaching Order to carry on its duties in the Province without the regulation certificates and Government qualifications. At the close of the year the Minister of Education, in a Memorandum to Ontario educationists, assured

country is the effect of emigration of Americans into the great wheat fields of the North-West Territory. What political effect it is going to have I hardly dare trust myself to say, but I look forward to a Canada that will become a free and independent State, and it is my firm belief that if we do not expand in that direction at once, we shall at least soon be in a position where we will be compelled to clasp her hand as a sister State striving with us to maintain political and religious liberty such as we now enjoy. She will not consent to remain a mere colony."

them that the Government intended to continue its programme of reforms and that the new Faculty of Education at the University would be fitted into a complete system of teacher-training, the salary matter be still further developed, the Advisory Council brought into close touch with the Department, and the Text-book question dealt with.

Meanwhile the Government had promised a Text-book Commission to look into contracts, prices, character, etc., of the books supplied to the schools. Its *personnel* was duly announced on June 20th with Mr. T. W. Crothers of St. Thomas as Chairman, and Mr. John A. Cooper, B.A., of the *Canadian Magazine,* as Commissioner. Messrs. G. Lynch Staunton, K.C., of Hamilton, and J. A. Macdonald of Toronto were Government counsel and Mr. A. C. Casselman, Secretary. The first meeting was held in Toronto on Sept. 19th and a number of sessions followed up to the close of the year. To the *News* of Sept. 20, the Premier said: "When the Report of the Commission reaches the Government, if its contents show the advisability or necessity for action in the matter of the cost or character of text-books, rest assured it will be dealt with promptly and, I hope, effectually." Hon. G. W. Ross, who was Minister of Education when the contracts under investigation with the Canada Publishing Company, W. J. Gage and Co. and the Copp, Clark Company were made, stated to the same paper, that "the prices were revised by the Queen's Printer before the agreements were closed. After that there was some complaint that the prices were too dear and we appointed a Commission consisting of Judge Morgan, Mr. James Bain, Librarian, and Mr. R. Brown of Brown Bros.' book-binding house, to look into the complaints. This Commission reported in favour of some trifling reductions, some of which were made; notably the Fifth Reader was reduced from 60 cents to 50 cents, and the Geography from $1.00 to 75 cents. In the main, however, they found the prices reasonable and proper."

Many witnesses were called and amongst the subjects looked into were the prices now paid and the contract prices proffered by rival houses; the character of the paper, binding and book-making generally; the whereabouts of the missing evidence taken before the Commission of 1897, the methods of purchasing books for schools and the question of fees, discounts, wholesale and retail prices, as well as cost of production; the dispute between Mr. G. N. Morang and the Government when Mr. Ross was Minister of Education; and the charges made by the former as to the existence of a publishing "ring" or combine. Upon the subject of free text-books Mr. J. L. Hughes, Toronto Public School Inspector, stated that between 1892 and 1904, inclusive, 412,465 pupils had been supplied. The total cost was $44,255 and the average cost per annum $3,161; the average cost per pupil was 10¾ cents. Mr. R. Southam, of the Mail Job Printing Co., declared the present cost of public school readers to be from 33 to 60 per cent. too high;

Mr. D. A. Rose, publisher, stated that 50 per cent. profit was made by the publishers on school readers under existing conditions and urged the Government to make its plates and allow competition for the further preparation of the volumes. Evidence clearly indicated the close relationship in this matter between the three publishing houses concerned and it appeared that the Copp, Clark Company got into the combination in 1884 by taking the place of F. Nelson and Sons and paying that concern $30,000 and other considerations. Mr. W. J. Gage strongly denied being in any "combine," explained that when Mr. Ross became Minister of Education he had taken away from them in about seven years some 40 authorizations of more or less useful books, involving a loss of about $30,000. Of the remaining ones they had, in self-defence, proceeded to obtain and hold the copyrights. When Mr. Ross left office W. J. Gage & Co. published two books out of the official list, the Canada Company 13, the Morang Company 13, Hunter, Rose and Company 6, the Methodist Book Room 6 and the Copp, Clark Company 25. It was, he claimed, in view of the original losses suffered by the other two firms as well as his own that they had been given exclusive publishing rights for ten years.

Educational Incidents and Conditions in Ontario

While the Legislature was re-organizing systems and institutions the Province at large was discussing various conditions as they developed from time to time. It had been the habit of Ontario publicists for many years to eulogize its educational interests but now, when the whole public school system was in the political melting-pot and the University of Toronto was being thoroughly shaken up and re-organized as well, other opinions found expression. Speaking at St. Catharines on Jan. 11, Prof. A. B. Macallum, F.R.S., of Toronto University, estimated the total United States expenditure upon higher education at about $40,000,000, while that of Canada's 15 chartered Universities did not exceed the annual expenditure of the University of Michigan alone. After criticizing the smaller Colleges he proceeded to deal with primary education:

> I believe that the Public Schools are less efficient to-day than they were thirty years ago, and I believe the fault is in the parsimony of our people. The teachers' salaries are not higher but lower than they were then, although the cost of living has risen and higher remuneration may be found in almost every other calling which does not call for expert knowledge or training. In consequence, the profession of teaching retains in its service, after a few years, but a small portion of the number who enter its ranks, and the absence of experience in the profession greatly diminishes its usefulness to the public. The self-satisfaction, so largely a feature in our public utterances regarding our educational system, has, I believe, narcotized this matter, for how otherwise explain the apparent content with what is a serious condition in this country.

Speaking at Guelph on Dec. 1st Mr. J. J. Craig, M.L.A., expressed somewhat similar views. He believed that a system of

drift was permitted to prevail in the Public Schools, and especially in the rural schools. Many of the latter were in anything but a satisfactory state. The short-sighted policy of too many School Boards had reduced the remuneration of the average Public School teacher to that of the unskilled labourer and had driven the male teacher out of the profession. Surely no intelligent and thoughtful ratepayer could conclude that the training of our boys, especially, should be entrusted to girls in their teens! Meanwhile Mayor Coatsworth and other members of the Toronto Board of Control had bluntly stated their belief that the education of children was not, in that city, fitting boys to enter properly upon their careers. Mr. J. L. Hughes, the local Public School Inspector, denied this but in a way which led *The Globe* to describe the opinion as flippant and to endorse (April 13) the original assertion. "Giving to the terms reading, writing and arithmetic a wide connotation, they (the Board of Control) practically allege that the public schools do not furnish a good education, and the reasons are obvious. Apart from the waste of opportunity due to irregular attendance, to natural stupidity, or to incorrigible obstinacy, there is serious waste of effort caused by frequent changes of teachers as the result of a defective system of grading. The pupils do not remain long enough with one teacher to get the full benefit of his knowledge of their dispositions and aptitudes. During their school life a considerable proportion of their time is taken up with such subjects as manual training, domestic science and typewriting which have, as they are taught in Toronto, very little relation to either theoretical education or practical ability."

In connection with Ontario's occasional sectarian difficulties a curious incident occurred on Apr. 10 when the local parish priest entered a Public School near Lindsay and chastised a Roman Catholic pupil for alleged misconduct—with the full consent of the boy's father. The teacher (a young woman) resented this action, brought the matter before a Lindsay magistrate and the Rev. Father O'Sullivan was fined (May 5th) ten dollars and costs for disturbing the school. An address was given in Toronto on Nov. 22nd by Mr. J. L. Hughes which described what he called "new developments" in Education. They included cadet work in the schools and the drilling of 49 Companies in those of Toronto alone; the teaching of the children how to make Union Jacks and the observance of Empire Day; the development of the child-life along the lines of a supposedly instinctive desire to do something and to plan something; the change in the interpretation of obedience from subordination of the child to the adult to a condition which should simply be a reverence for law and "not demand from the boy any more reverence for the adult than the adult gives to the boy"; a fundamental alteration from coercion to self-activity; the restriction or abolition of corporal punishment; the progress of manual training and domestic science; a development of active consciousness in the child's individuality.

The other side of this picture of "advanced" opinions and practices was more than once indicated during the year in references to the frequent rudeness and increasing bad manners, the lack of discipline and all idea of obedience, the absence of honour and high principle, amongst the boys and even girls of the schools of Toronto and Ontario. An important address upon the much-discussed question of Technical education was given by Dr. D. J. Goggin before the Empire Club on Feb. 15th. His point of view was simple: "For the technical instruction of the great body of youth who desire to enter various trades no formal or adequate provision has been made either by the Provinces or the Dominion." After describing the complete and complex German system, the lesser one in France, and the formative work in Great Britain along similar lines, he made an earnest appeal for Canadian action. "If we bonded ourselves to provide one good agricultural public school in each township, one good industrial high school in each county, and technical schools where they are needed, the beneficial results to our youth, and to the financial condition of our Province through improved agriculture, manufactures, and commerce would, in the lifetime of one or two generations, more than pay the cost, while succeeding generations would bless our foresight and emulate our example." The general condition of Education in the Province was shown by the Report of the Department as published in 1906. From it the following tables are compiled—the figures being for the calendar year 1905:

I. *Public Schools.*

Number of Public Schools in 1905	5,793
Number of enrolled pupils in the Public Schools	397,170
Average daily attendance of pupils	232,077
Percentage of average attendance	58·43
Number of persons employed as teachers (exclusive of Kindergarten and Night School teachers): men, 1,839; women, 6,840	8,679
Number of teachers who attended Normal Schools	4,442
Number of teachers with a University degree	77
Average annual salary of female teachers	$348
Average annual salary of male teachers	$514
Amount expended for Public School houses	$715,761
Amount expended for teachers' salaries	$3,422,324
Amount expended for all other purposes	$1,386,017
Total amount expended on Public Schools	$5,524,102
Cost per pupil (enrolled attendance)	$13.91
Public School Teachers in Rural Schools— 1. Male, 1,354. 2. Female, 4,653	6,107
Urban Schools (Cities, towns and incorporated villages)— 1. Male, 596. 2. Female, 3,046	3,642
Public School teachers in Rural Schools with certificates— 1st Class, 146. 2nd Class, 1,752. 3rd Class, 2,969. Others, 1,140.	
Urban Schools (Cities, towns and incorporated villages)— 1st Class, 515. 2nd Class, 2,266. 3rd Class, 279. Others, 582.	

II. *Roman Catholic Separate Schools.*

Number of Roman Catholic Separate Schools	428
Number of enrolled pupils of all ages	49,324
Average daily attendance of pupils	32,030

Percentage of average attendance to total attendance	64·94
Number of teachers	970
Amount expended for school houses	$243,366
Amount expended for teachers' salaries	$246,906
Amount expended for all other purposes	$146,862
Total amount expended	$637,134
Cost per pupil (enrolled attendance)	$12.92

III. *High Schools.*

Number of High Schools (including 42 Collegiate Institutes)	140
Number of teachers	689
Number of pupils	28,661
Average annual salary, principals	$1,270
Average annual salary, assistants	$927
Average annual salary of all teachers	$997
Highest salary paid	$3,000
Amount expended for teachers' salaries	$666,547
Amount expended for school houses	$103,515
Amount expended for all other High School purposes	$234,436
Total amount expended	$1,004,498
Cost per pupil (enrolled attendance)	$35.05

IV. *Miscellaneous.*

Number of Protestant Separate Schools (included with Public Schools)	5
Number of enrolled pupils	320
Average daily attendance of pupils	192
Number of Kindergartens	133
Number of pupils enrolled	12,480
Average daily attendance of pupils	4,955
Number of teachers engaged	260
Number of Night Schools	10
Number of pupils enrolled	620
Average daily attendance of pupils	286
Number of teachers engaged	17
Total Receipts	$7,229,194
Legislative grants	$414,004
Municipal School grants and assessments	$4,928,790
Clergy Reserves funds, balances and other sources	$1,886,400

The Hon. Dr. R. A. Pyne, Minister of Education, in some remarks introductory to these statistics referred to the recent legislation increasing public school teachers' salaries and the grant for rural schools by $180,000; to the enterprise shown by a number of School Boards in matters of equipment, construction of buildings and increase of salaries; to the complaints from some quarters as to the minimum salary plan being hurtful to local initiative; to the improvement in higher training for teachers by substituting Normal for Model school training, with the pending construction of four new Normal Schools; to the creation of a Faculty of Education at Toronto University in place of the Normal College at Hamilton; to the creation of an Advisory Council and the reorganization of his own Department.

Higher education was somewhat discussed by the Ontario public in connection with the University of Ottawa as well as with regard to Toronto University; and because of a pamphlet published late in the summer which embodied one side, at least, of a friction which had evolved in various minor ways during several

years. The pamphlet bore no name excepting a reference to the Rev. Dr. J. E. Emery as having given some of the information it contained, and it affected to prove that the efforts of the founders to establish an English-speaking Catholic University had been thwarted by French-Canadian influences. The trouble or controversy was, however, not confined to the University and the Montreal *Herald* of Sept. 14, described it as extending through the whole range of local educational facilities. "The Irish Catholics of Ottawa want their own schools where their children may be animated by the Irish rather than the French ideal; they have found of late that the French influence upon the formation of the minds of their children tends not merely to over-ride, but even to obliterate, their own. Protest against this is active and continuous, although outside attention has been but little directed to it." Hence the Separate Schools of Ottawa were brought into the issue. In this latter connection an elaborate appeal was prepared by a Special Committee composed of J. P. Dunne, D'Arcy Scott, T. D. McGee and Thomas Smith, and addressed on Mar. 31st to Mgr. Sbarretti, Papal Delegate, asking His Excellency to dissolve the union of Irish and French Separate School instruction in the City. Mr. D'Arcy Scott, who was a few months later elected Mayor of Ottawa, wrote to the press on Oct. 10th suggesting that any friction between the races which did exist at the University might be settled as follows: "Let the University of Ottawa be an Examining and Degree-granting body, only, without any lecturing staff whatever; and let there be two separate colleges affiliated with it, one for the English and one for the French. Let the priests of each college have charge of the Church bearing the name of his college. Each college would prepare students for the University examinations as is done by the numerous colleges affiliated with Toronto University. This scheme is also followed by a number of colleges affiliated with Laval."

In another part of Ontario a struggling institution—the Western University of London—reached a point where it was thought necessary to give up entirely its relations with the Church of England and become a secular institution or else draw closer to the Church and become a purely sectarian institution. As it was the University was semi-denominational with its subsidiary institution, Huron College, as a divinity school of the Church of England and with all the members of its Senate belonging to that Church. More Church aid or more public aid seemed to be the question before the institution and on Feb. 24th a mass-meeting of citizens was held in London to discuss the situation. The speakers included Mayor Judd, Hon. Adam Beck and Mr. T. H. Purdom, while Bishop Williams of Huron dealt elaborately with the matter in hand and submitted two distinct propositions of which the central point seemed to be the immediate contribution of $160,000 by either the City or the Church.

Later on legislation was obtained at Toronto allowing the

University to give the Diocese of Huron a more real voice in its management; providing for the election of 8 members of the Senate by subscribers and donours, 4 by graduates in Medicine and 4 by other graduates, and 8 appointed by the Bishop; allowing arrangements to be made at any time with the City for the taking over of the institution. On Dec. 7th a deputation waited on the Minister of Education in Toronto and asked for recognition as a degree-conferring institution. Meanwhile, the annual statements of the Presbyterian institutions—Queen's, Kingston, and Knox, Toronto—indicated a fair degree of prosperity with students at Queen's University numbering 1,642 or an increase of 85. Its proposed increased endowment of $500,000 was being successfully raised. On Dec. 4th it was announced that McMaster University, the Baptist educational institution of the Province, had received a subscription of $60,000 from Mr. J. D. Rockefeller towards its Forward Movement Fund of $75,000. The Ontario Agricultural College, Guelph, had during the year 667 students in attendance, with 290 at the associated Macdonald Institute. Students numbering 136 from the Guelph Collegiate Institute also received instruction in Domestic Science at the Institute. The chief appointments made, and Honorary Degrees conferred in Ontario Universities and Colleges during 1906 were as follows:

I. *University and College Appointments.*

Institution.	Name.	Position.
Toronto University	Dr. Richard Davidson	Assistant Professor of Oriental Literature.
" "	Miss A. L. Laird, B.A.	Associate Professor of Household Science.
" "	Miss C. C. Benson, B.A.	Associate Professor of Physiological Chemistry.
Wycliffe College	Rev. T. R. O'Meara, M.A.	Principal.
St. Michael's College	Rev. Nicholas Roche	Superior.
Queen's University	Mr. J. K. Macdonald	Trustee.
" "	Mr. W. B. Anderson, M.A.	Professor of Latin.
McMaster University	Rev. A. L. McCrimmon, LL.D.	Professor of Economics and Sociology.
Moulton Ladies' College	Mr. E. W. Hardy, B.A.	Principal.
Ont. Agricultural College	Rev. Dr. C. J. S. Bethune	Professor of Entomology.
" " "	Mr. S. B. McCready	Professor of Botany and Nature Study.
" " "	Mr. J. B. Reynolds	Professor of English.

II. *Honorary Degrees Conferred.*

Institution.	Name.	Degree.
Toronto University	Professor Wilhelm Ostwald	LL.D.
" "	Rev. T. R. O'Meara, M.A.	"
" "	Rev. Wm. Maclaren, D.D.	"
" "	Rev. Daniel Cushing	"
" "	Rev. John Potts, D.D.	"
" "	Thomas Hodgins, M.A., K.C.	"
" "	Hon. J. W. St. John, K.C., M.L.A.	"
" "	J. W. Flavelle	"
" "	B. E. Walker, D.C.L.	"
" "	Rev. D. Bruce Macdonald, M.A.	"
" "	Rev. Canon H. J. Cody, M.A.	"
" "	A. H. U. Colquhoun, B.A.	"

Institution.	Name.	Degree.
Toronto University	Albert Ham	Mus.D.
" "	A. S. Vogt	"
McMaster University	Rev. A. A. Cameron	D.D.
" "	Goldwin Smith, M.A., D.C.L.	LL.D.
" "	L. E. Embree, M.A.	"
University of Ottawa	Lord Strathcona and Mount Royal	"
" "	Chief Justice Fitzpatrick	"
" "	John Reade, F.R.S.C.	"
Queen's University	Dr. C. K. Clarke and J. S. Willison	"

Government and Politics in Quebec

Politically there was little change in this Province during 1906. Mr. Premier Gouin continued to lead the Liberal party in office, with an overwhelming majority, and with better educational facilities and larger Federal subsidies as the chief planks in a platform which he presented with eloquence and force. On Jan. 3rd an old promise was made good when Mr. John C. Kaine, M.L.A., of Quebec East, was sworn in as Minister without Portfolio and as, practically, the representative in the Government of the Irish section of the population. On June 19th a largely-signed petition was laid before the Premier by a deputation from Sherbrooke, asking that Dr. P. Pelletier, M.L.A., be taken into the Cabinet to fill some early vacancy. On Aug. 31st the Hon. Auguste Tessier, Minister of Agriculture, was sworn in as Provincial Treasurer to succeed the Hon. J. C. McCorkill, who had resigned after three years' service in order to accept a place upon the Superior Court of the Province. The Hon. W. A. Weir, K.C., who had been for a year the popular English-speaking Speaker of the Legislative Assembly, was at the same time sworn in as Minister of Public Works and Labour and, on the following day, Hon. Louis Jules Allard, K.C., who had previously held this latter position, was sworn in as Minister of Agriculture. It may be added that Hon. L. J. Allard was, during the year, Government Leader in the Legislative Council and Hon. Thomas Chapais Opposition Leader in the same body. In the Assembly Mr. P. E. LeBlanc acted, practically, as Leader of the small Opposition of that Chamber, though he claimed that none had been officially appointed.

Government utterances upon public affairs were fairly numerous during the year although there was no seriously disturbing political element. Speaking at a meeting of the Provincial Colonization Society in Quebec on Jan. 25th Hon. Jean Prevost, Minister of Colonization, made a rather personal reference to the Federal Government in that connection. "I regret infinitely," said Mr. Prevost, "that the Government at Ottawa has not a better understanding of what is being done in this Province in the matter of colonization and especially of what ought to be done. The answer given by the Government to the demand for a grant made by this Society is a veritable insult and I regard it as such. We will reiterate our demands and if they are not given more serious consideration, if the Province which gives to the Dominion Govern-

ment sixty seats out of sixty-five is not to be better treated, it will be time for us to act." Various references were made by Ministers during the year, as in the other Provinces, to the question of larger Dominion subsidies, but they are dealt with elsewhere.

The Premier and his colleagues were banqueted at Sherbrooke on Sept. 11th in connection with the opening of a new Court House, but the speeches were of a non-political nature—except, perhaps, when Mr. E. W. Tobin, M.P., expressed the hope that the Dominion Government would increase the subsidies so as to enable the Province to expend more money on Education and colonization purposes. Mr. Gouin, however, spoke a few days later at Lachute (Sept. 20) on public questions and said in the course of his address: "I and my Government want to do all we can for the cause of education and at the end of the present Legislature instead of giving $100,000 per annum for the poorer schools we shall be giving $250,000 per annum. There is something more than that we can do for our Province. We ought to have better roads than we have to-day. This question of our roads should be discussed by our farmers and by all good citizens. This Province of Quebec spends as much money on its roads as any other Province, although it has not such good roads. But if we have not such good roads it is partly because our Province is larger, because there are more new roads, and because our climate is more trying to those roads."

At a Commercial Travellers' banquet in Montreal on Dec. 20 the Premier announced that the much-discussed tax on commercial travellers would be repealed at the next Session of the Legislature and concluded with the following patriotic words: "When you travel from ocean to ocean, and hear people speak of provincialism, you can tell them that we have no such thing in this Province. There is no word in the French language for provincialism. We love our native soil and this old Province with its historic memories held dear by all her sons, but, above all, we are Canadians." The new Minister of Public Works, Hon. W. A. Weir, at a Montreal banquet on Dec. 6th, urged the vital importance of technical education and promised on behalf of the Government that it would help along such lines to the fullest possible extent if only the people would co-operate. He added that many pupils left the elementary schools of the Province and forgot how to read; that the decline of the apprentice system also increased the need for technical schools; that public interests and well-being demanded greater development in this respect.

The long-drawn-out legal conflict between Senator Choquette and Mr. S. N. Parent, and the political and personal differences of those gentlemen, were continued through the year. The private intervention of Sir Wilfrid Laurier during 1905 seemed to have had no definite effect; the Senator maintained his ground as to not knowing anything of the truth of the accusations he had made against Mr. Parent further than that he had received assurances

in that regard from Senator Legris; Mr. Parent proclaimed his desire for any settlement which would leave his good name clear. The suit of the latter for $25,000 damages against Senator Choquette on a charge of libel was in progress on Feb. 5th when Mr. Choquette publicly requested Mr. Parent to resign as Chairman of the Trans-continental Railway Commission and the latter replied that he would do so if Mr. Choquette would retire from the Senate. An added matter of conflict between the two was an alleged settlement which Mr. Premier Gouin produced upon this occasion as made between the Senator and Mr. L. A. Taschereau, K.C., the lawyer acting for Mr. Parent. The latter denied knowledge of any agreement. On Jan. 3rd Mr. Alphonse Caron, one of the parties to the case, published an open apology and retraction in his paper, *Le Courier de Montmagny.* Senator Choquette's paper, *Le Soleil,* also had comments on the affair which intensified feeling between the disputants. On July 6th the Mayor of Quebec submitted a Report as to the Civic investigation into charges of malfeasance in office made against Hon. S. N. Parent—in connection with his 12 years' incumbency of the mayoralty and resulting from differences between certain elements in the local Liberal party. The Commission was composed of Messrs. J. Lorn McDougall, C.M.G., and F. J. Robertson, and the conclusion was that no matter of a compromising character could be found against Mr. Parent unless an impersonal criticism of the civic book-keeping system as being out of date could be so construed. Associated indirectly with this affair was the filling of the mayoralty chair of Quebec which became vacant early in the year as a result of the retirement of Mr. S. N. Parent to accept a place on the Trans-continental Railway Commission. Mr. L. Alexander Taschereau, K.C., M.L.A., was a candidate; so was Senator P. A. Choquette; so was Mr. J. George Garneau. The candidate had, however, to be first elected to the Council and the campaign was for a time decidedly vigorous. On Feb. 10th *Le Soleil* announced that in response to a request from Sir Wilfrid Laurier, and in the interest of party unity, Senator Choquette had retired from the contest. A week later it was announced that this paper—the Liberal organ in the City and district—had changed hands and that the Senator had severed his connection with it. On Feb. 19th the elections resulted in big majorities for the Reform or anti-Parent party. Mr. Garneau shared in this result and was, later, elected Mayor. Mr. Taschereau came into the Council though by a small majority.

The Provincial bye-elections of the year were not important. In Brome, vacated by Mr. McCorkill's elevation to the Bench, two Liberals contested the seat for a time—Mr. W. F. Vilas, the official candidate, and Mr. E. W. Westover, an independent Liberal. On Sept. 10, however, it was announced that Mr. Westover had retired and Mr. Vilas was declared elected. In his own constituency of Argenteuil Hon. Mr. Weir was re-elected by acclamation on the

same day—following upon his appointment to the Government. Speaking of Government policy at Lachute on that date he dealt seriously with the transportation question:

> There was a great future for the Province once it was developed, and in order to bring that about thoroughly and systematically, it was necessary to have more railways. Ontario had a railway mileage three times greater than Quebec, so that it would readily be understood how much more yet remained to be done in this Province. When we had a railway mileage equal to that of Ontario a vast change would be seen in the far-away regions of Quebec. A charter was passed last year to build a railway from Montreal to Labrador which would bring us within three days' journey of the markets of Europe. When that line was built, in the course of time, it would open up vast regions of mineral deposits, some of which were the wealthiest on the North American continent. It was said that no finer iron-ore could be found in the world than in the regions between Quebec and the Labrador coast ; and it could only be utilized by the building of a railway.

Another bye-election of the year was in L'Assomption where Mr. P. Papin was the Liberal Convention nominee and Mr. L. J. Gauthier an independent Liberal. The latter, however, was elected by acclamation on Oct. 29. In Iberville Mr. C. S. Roy and Mr. J. A. Benoit, both Liberals, were candidates. The latter was elected on Nov. 5th by a majority of 156. In Iles de la Madeleine Mr. A. A. Theriault was elected on Nov. 20 with a majority of 98. Some other incidents of the year must be recorded. In order to secure evidence and register a public protest as to its condition Major G. W. Stephens was, on Apr. 9th, locked in the Montreal gaol for some hours. His language was sufficiently vigorous next day in the press: "Think of it, after 70 years' wear and tear, walls are crumbling, wood-work is rotten, the cell walls are like punk, galleries leaning over, floors with their 70 years of ooze belching out foul impurities, wards in total darkness from sundown to sunrise. Nobody takes an interest in the Montreal gaol because they don't realize that a public crime is being committed and that the citizens of Montreal are guilty of criminal negligence in not demanding from the Provincial Government immediate action." Meanwhile, on Feb. 22nd, the Governor-General had written the Provincial Premier a lengthy letter urging upon his attention the conditions which His Excellency had discovered during a then recent visit. In a reply dated March 5th Mr. Gouin described the subject as having been under consideration and promised action of some kind. Hon. L. J. Allard, Minister of Public Works, on Apr. 29th endorsed the need of doing something in language as strong as that of Major Stephens and, during succeeding months, a new building was planned to cost about $1,000,000.

The annual sale of timber limits by the Provincial Government took place at Quebec on June 21st when 1,378 miles were disposed of and brought the Treasury $283,665—not including the general rents. Sixteen water-powers were also sold despite a pro-

test presented on behalf of the Dominion Government which claimed control of navigable rivers. Hon. A. Turgeon, Minister of Lands, who was present, told the purchasers that the question had been already settled by the Courts and the Privy Council and that the Provincial Government would assume full responsibility and guarantee buyers against any legal action. In connection with Archbishop Bruchesi's Temperance campaign His Grace had complained about some saloon license grants in St. John's District and Mr. Premier Gouin replied in a press interview, on July 10, that he would have the matter immediately looked into. As to the movement itself, he added: "I most decidedly approve of it and so do my colleagues. We have already given proof of our good disposition in that regard. Last January the religious authorities of Quebec City, of all denominations, called upon us and requested that the number of liquor licenses for that city be reduced. As a result, when the Legislature met we acceded to their wishes and introduced and passed a measure reducing the number of licenses by 25. We are thoroughly in sympathy with this Temperance reform movement." An inter-Colonial development was the lawsuit commenced by the Province in regard to Newfoundland's claim to jurisdiction over the Labrador coast and hinterland. It turned upon a Newfoundland grant of charter and concessions to a Company on Hamilton Inlet which was now claimed to be within Quebec's territory. Timber had been cut and an action lay in the Quebec Courts for $100,000 damages against the Company. Unfortunately, perhaps, for the Provincial contention it was found that some of the Interior Department's maps at Ottawa gave Newfoundland jurisdiction over the entire coast of Labrador.

Proceedings of the Quebec Legislature

The Provincial Legislature was opened on Jan. 17th by Lieut.-Governor Sir L. A. Jetté with a Speech from the Throne which expressed deep regret at the death of Hon. R. Prefontaine and pleasure at the admission of the new Western Provinces to the Confederation; regretted the non-settlement of the Subsidy question and announced the Government's intention of persisting in its efforts; proclaimed the Government's policy of asking the Federal authorities to pay to the Provinces their shares of the Halifax Fisheries Award, to remit the amounts collected by Canada for fishing permits within Provincial limits, and to leave Quebec the exercise of its rights in territorial waters; stated that attention was being given to the delimitation of the frontier between the Province and Newfoundland; described public instruction as the special object of the Government's solicitude, including more generous aid to poor municipalities, the foundation of new normal schools, with efforts to stimulate the zeal of school boards and to encourage teachers in their work; indicated a continuance of the policy of promoting colonization, classifying lands so as to separate settlers and timber limit holders and encourage group settlements; expressed renewed interest in Forestry and the protection

THE HON. B. F. PEARSON, K.C., M.L.A.

Appointed Member without Portfolio of the Nova Scotian Government, 1906.

THE HON. W. A. WEIR, K.C., M.L.A.

Appointed Minister of Public Works, Quebec, 1906.

of lumbering interests from fire; described dairying as developing remarkable importance in the Province, promised continued encouragement, and referred to the new Dairy School at St. Hyacinthe as " probably the most perfect on the continent."

In the Council the Address in reply was moved by Hon. M. Letellier and Hon. R. Turner; in the Assembly by Dr. C. E. Côté and Major Stephens. The latter described financial re-organization, educational reform, and development of resources, as the policy of the present and the near future. The Address was adopted (Jan. 18) without any remarks from the Opposition. On Feb. 14, there was a prolonged debate upon Colonization conditions and policy. Mr. J. H. Kelly dealt with the difficulty of treating the lumber interests and the settler when they were often on the same lot and yet working in opposite directions. He commended the Minister for cancelling grants held for speculative purposes, urged a better distribution of colonization funds, and dwelt upon the advantage of repatriating the sons of the Province now in the United States. His proposal as to lumbermen and settlers was the establishment of Colonization reserves and the closing of the rest of the Province to Government colonization until these were fully settled. The Hon. Mr. Prevost, in reply, described the richness of the back country, from the fertile Valley of Beauce to the Gaspé Peninsula, and then announced that there would be eleven Colonization reserves along the lines indicated and no cancellations would occur on them except with the consent of the Minister of Colonization. New settlers would be aided by the establishment of houses of refuge on these Reserves; $5,000 would be given for new schools and the payment of teachers; construction of necessary railways would be carried on as rapidly as possible. Reference was also made in this connection to the alleged " red tape " policy of the Federal Government and its supposed hostility to the agricultural expansion of the Province.

Another subject dealt with was that of public ownership though no definite action was taken. Mr. Maurice Perrault spoke, on Feb. 15 at great length, in favour of nationalizing all utilities and such in particular as electric traction, gas and electric light, waterworks and water-power, telegraphs, telephones, pulp-mills, asbestos mines, and even the selling of alcoholic liquors. The Premier, in reply, admitted the importance of the subject but pointed out that the plan indicated would cost some $60,000,000, which was beyond the present resources of the Province. In any case the people would have to be consulted. A motion asking the Government to carefully consider the suggestions was passed without opposition. Under the initiative of Hon. Mr. Tessier, Minister of Agriculture, legislation was passed giving further encouragement to Dairy Associations. In the matter of timber limits Hon. Mr. Turgeon told the House on Mch. 5th that the existing practice had been initiated by Conservative Governments with Liberal approval; that the sales were fully advertised from year to year;

that the requirements of the Treasury rendered such sales absolutely necessary; that under present arrangements there was no alienation of the public domain, or of capital, while the operation, commonly and erroneously called a sale of limits, was merely a lease of the right to cut timber, a bonus for the privilege of taking away the crop of timber and, as it was easy by means of laws and regulations to secure the continuity and regularity of such crops, it was easy also to make them an annual source of revenue.

A measure was put through by the Provincial Treasurer providing for the filing of a yearly report by Trust Companies showing a list of officers and a full statement of business; appointing an Inspector to look after the matter, and assessing the Companies $3,000 *pro rata* to pay his expenses. The Railway subsidies were brought down by the Premier on Mar. 7th and granted or re-granted a considerable acreage of land to certain railways. All mines and minerals on these lands were reserved to the Crown and their selection was to be in the hands of the Government.

Legislation was passed regulating the registration and taxation of motor vehicles, automobiles, etc., and special restrictions were imposed to deal with the American owners of machines who endangered the lives of Eastern Townships people with their reckless driving. An important measure presented by Hon. Mr. Turgeon, Minister of Lands and Mines, passed both Houses and established a part of the unsurveyed and ungranted Crown lands in the Peninsula of Gaspé as a Forest-reserve. It provided, among other things, that a tract of about 2,500 square miles, situated partly in the County of Matane, and partly in the County of Gaspé, should be set apart as a forest reservation, fish and game preserve, public park and pleasure ground, under the control of the Minister of Lands and Forests for the people of the Province. Regulations were also made as to cutting timber, fishing, and hunting within this region and the sale of intoxicating liquors was forbidden.

Two measures, initiated and passed by Hon. Mr. Prevost, amended the Quebec Fishing and Game Laws. Speaking in the Legislature on Feb. 22nd he drew a picture of the remarkable fish and game wealth of the Province of Quebec. He described the numerous head of big game, of feathered game and the vast quantities of game-fish which he had seen during various journeyings in different parts of the Province, with the purpose of familiarizing himself with its great natural resources. The extent of the fish and game wealth of its waters and forests had more than astonished him. "Yet he realized how easily all this wealth might become exhausted and a thing of the past, without an efficient system of fish and game protection, and it was the intention of the Government to divide the Province into six districts, each of which would be placed under the surveillance of a special inspector. They were to be named, respectively, Saguenay, Metapedia, Quebec, Sherbrooke, Montreal and Ottawa." The exemption hitherto allowed non-resident members of Fish and Game Clubs in the

Province, as to paying license fees, was to be removed. As eventually passed hunting territories, not to exceed 200 square miles each, could be leased for not exceeding ten years and at not less than $3.00 per square mile; a bounty of $15.00 was given for the killing of wolves and the old hunting seasons for deer, moose and caribou were retained; a special license for fishing and a non-residential license for hunting were required; the tag and coupon system was introduced; additional penalties were prescribed for the sale of woodcock and partridges.

The question of usury, which was so strongly brought before public attention by the disclosure of abominable abuses in Montreal, received the earnest attention of the Prime Minister and a measure was introduced and carried by him dealing, as far as a Provincial Legislature could, with this growing evil. To the Montreal *Star,* of June 25th, Hon. Mr. Gouin described his Bill as based upon the tentative efforts of two other members—Dr. Lacombe and Mr. J. A. Chauret—early in the Session and expressed strong hope of the passage of the pending anti-usury measure at Ottawa. The Montreal City Charter Bill (Mr. C. B. Carter) which proposed to regulate the taxation of franchises on the city streets, the construction of conduits underground and expropriation of the property, business, etc., of the Montreal Gas Company, was discussed at length in the Assembly and passed with conditions generally favourable to the City. The Council, however, added various amendments which were deemed too favourable to the Companies concerned and were the cause of various deputations and much argument pro and con. Eventually, the Assembly refused to accept the amendments and the Bill did not become law. In connection with the Province's claim upon the Halifax Fishery Award (1872) in common with that of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland, Mr. Premier Gouin stated on Mch. 7th that these Provinces had petitioned the Federal Government and had claimed a part of that indemnity; that the latter had refused to consider the petitions and, in 1898, the Privy Council had admitted that the Provinces were proprietors of the fisheries. Thereupon the Provinces claimed that the amount paid by the United States Government belonged to them. The Premier contended that the Province of Quebec was now entitled in capital and interest to the sum of $3,393,531; besides other amounts which would bring their claim up to about four million dollars.

A much-discussed question was the measure presented by Mr. J. E. Caron permitting the taxation of certain religious and charitable institutions in St. Germain de Rimouski. During discussion, on Feb. 13th, Hon. Mr. Tessier supported the principle and pointed out that the municipal Council was unanimous in desiring this power and that places such as Three Rivers, Fraserville, Farnham, Valleyfield, etc., already held and exercised similar rights. The Premier, on the following day, took strong ground

in favour of taxing improvements on Church property and described himself as no less a Christian and a Churchman for doing so. Mr. P. E. LeBlanc and other Conservatives opposed this view as did some of the Liberals but it was upheld, on division, by 38 to 15 votes—despite the publication of an interview with Archbishop Bruchesi on Feb. 10th which declared the Bill to be the beginning of "a dangerous movement initiated by evil inspiration" and the product of bad influences which had already poisoned the mind of France:

> I deeply regret this departure of our Legislators. They forget altogether too easily the admirable devotion of the religious institutions, which have always been recognized here as a patrimony which should be free from taxation. This has been found good in the past. Why change it? They forget in taxing such places as churches, presbyteries, and cemeteries they are but adding to the burden of the people. They forget, too, the work of our charitable institutions, a work carried on in the face of severe difficulties and if to these difficulties is now to be added that of taxation, they will render the work practically impossible.

After passing the Assembly, however, the measure was greatly modified in the Council and eventually withdrawn after the Municipal and Church authorities of Rimouski had arrived at a compromise. The Montreal Street Railway Company was empowered to increase its capital stock and issue new stock to a total amount of $18,000,000 and the organization of stock-breeding syndicates for the improvement of farm stock and the purchase of implements connected with the keeping of live stock was authorized. On Mch. 8th a series of Resolutions was passed upon motion of the Premier describing at length the change in Provincial conditions since Confederation; the increase of population, and financial burdens, and popular requirements; and concurring in the demand of the Inter-Provincial Conference of 1902 for increased subsidies; while pressing the subject in the form of an Address upon the attention of His Excellency the Governor-General. The Legislature was prorogued on the following day.

The Quebec Budget and Financial Affairs

On Jan. 31st the third and last Budget speech of Hon. J. C. McCorkill, as Provincial Treasurer, was delivered. After describing the estimates for the year ending June 30, 1905, as having been $4,747,394 of a revenue and $4,733,832 of expenditure with an estimated surplus of $13,541; the Treasurer stated that the actual receipts were $5,039,001 with a total expenditure of $4,989,905 and a surplus of $49,096. The principal sources of revenue were Dominion subsidies totalling $1,086,713, Interest on trust funds and Railway subsidies paid by the Dominion $182,548; Law stamps, etc., $269,285; Registration stamps $78,485 and Licenses $745,310; Direct taxes $303,882 and Lunatic asylums $116,030; Succession duties $183,382 and Interest on price of the Q.M.O. & O. Railway

$318,148; Timber dues $750,579; Land licenses $389,576; ground rents $208,712; Crown Lands $137,049 and Fisheries $660,030. The expenditures included $650,863 on the administration of Justice; $305,637 on Agriculture and $488,692 on Education; $140,500 in Colonization and $1,609,000 upon Public Debt charges; $276,000 upon Legislation and $465,000 upon Lunatic Asylums; $227,000 upon Lands, Mines and Fisheries and $140,000 upon Revenue charges. The expenditure upon Civil Government and Public Works was not stated but appears to have been about that of 1903-4, or $460,000 in amount.

The estimates for the year ending June 30, 1906, were $4,674,848 of receipts and $4,643,993 of expenditures excluding Railway subsidies. The actual receipts, as shown later in the Public Accounts on Sept. 1, were $5,340,166 upon ordinary revenue and the total expenditure upon the same account was $5,179,817. In addition to these totals there were receipts of $97,000 from special sources and $7,000,000 from the Canadian Pacific Railway as the price of the Q.M.O. & O. Railway which had been standing for years upon the books of the Province. Similarly the expenditure included special payments of $143,000; the repayment of a temporary loan of $700,000; and the redemption of the Loans of 1874 and 1876 amounting to $5,835,620. The total liabilities of the Province on June 30, 1905, were $36,686,353 and the assets $10,702,906. On June 30, 1906, the net funded debt was $25,085,331 with temporary loans and deposits of $441,375.

To return to the Budget, Mr. McCorkill dealt with the Commercial Travellers' Tax and expressed his renewed belief in its justice and advisability, but indicated that the machinery of the law would be amended. He had found a tendency to try and evade the recently-imposed tax on stocks, bonds and debentures and this would require some special legislation. He earnestly hoped that something would come of the Provincial claims for an increased subsidy. Money was greatly needed for education and colonization, in particular. During the ensuing Session it became known that the Treasurer was going to re-arrange and increase the taxation on financial corporations and there were various protests against the suggestion. The Montreal *Star*, on March 5th, voiced these views as follows: "To tax banks here more than they are taxed in Ontario is not good judgment. To overtax insurance companies is to roll a special burden upon the local policy-holders; for our insurance companies have shown in the matter of fire risks that they know how to combine and put up rates. All taxation on business operations is in danger of becoming a tax upon enterprise; and it is a perilous business for any community, surrounded by active competitors, to venture into this field without the most careful consideration." A large Board of Trade deputation from Montreal, headed by Mr. E. S. Clouston, waited upon the Treasurer and Premier at this time and presented their reasons for fearing the proposed legislation.

The actual taxation, as presented by Mr. McCorkill, was brought down in a series of eleven Resolutions providing for the taxation of companies and in its new sweep were included incorporated companies, banks, insurance companies, loan companies, navigation companies, telegraph companies, telephone companies, express companies, city passenger, railway, or tramway companies, railway companies and trust companies. In every instance there was an increase in the rate or a new source of revenue was tapped. The tax on life insurance companies was to be 1¾ per cent. instead of 1 per cent., payable on gross premiums, while that on incorporated companies in general was put at an eighth of 1 per cent. on the paid-up capital. On Dec. 19th following, a large deputation from the Canadian Life Insurance Officers Association waited upon the Premier and Treasurer and presented a Memorial declaring (1) that taxing Life companies was a highly censurable form of taxation; (2) that it was a tax on thrift and a tax on the provision made for the bereaved; (3) that the taxes levied in the Province on Life insurance companies were higher than in any other Province in Canada and an indirect tax on the policy-holders; (4) that as the matter then stood, as affecting the existing policies, the taxes must be taken out of the policy-holders' pockets. The Premier admitted the burden and hinted at a coming revision of taxation. Meanwhile Mr. McCorkill's other taxation policy of the Session had included a stock transfer tax, an increase and re-arrangement of Succession Duties and a change in the levy upon Liquor license transfers.

Government Policy and Proposed Educational Changes in Quebec

Since the Hon. Lomer Gouin's accession to the Premiership he had made better educational facilities, conditions and remuneration the subject of aggressive advocacy and in this policy he had the support of his Ministers and especially of the Hon. Mr. Weir. A larger grant had been given in 1905 but financial capacity was limited and a campaign amongst the people necessary to arouse them to a proper appreciation of the advantages of good educational conditions. There had been some slow development along these lines. According to figures compiled by the Montreal *Gazette* (Mch. 5) the total contribution from all quarters to educational purposes in 1867-8 was $1,569,192; in 1877-8 $2,596,284; in 1887-8 $2,385,118; in 1897-8 $3,051,381; in 1904-5 $4,084,518. Latterly there had been a marked increase in the number of school buildings and the improvement of school furniture. The Elementary, Model and Academy pupils were increasing in number as were the religious female teachers. The English-speaking and Protestant districts, however, were finding it more and more difficult to obtain teachers and the remuneration given was exceedingly poor.

Such was the surface situation at the beginning of 1906. On Jan. 18th the Quebec Legislature's address from the Lieut.-Governor contained the following clause: "Public instruction has been the special object of my Government's solicitude. I am happy to say that it has given more generous aid to poor school municipalities and has interested itself in the foundation of new Normal Schools where young ladies who wish to become teachers can receive proper pedagogical training. The measure it has adopted to stimulate the zeal of the school boards and to encourage teachers to persevere in their career will, I am sure, meet with your approval." In the Assembly on Feb. 7th Hon. Mr. Roy stated that the Government was aware that the only source of supply for Protestant teachers was the McGill Normal School at Montreal; that it did not afford the number of teachers required by the Protestant schools of the Province; and that the Government was aware that the number of persons employed to teach in the Protestant schools who had no diplomas had largely increased since 1898. He stated also that since 1890 McGill Normal School had granted 1,859 certificates to teachers and that the number of male and female teachers without diplomas in the Protestant elementary schools of the Province numbered 64 in 1898, 187 in 1902, and 305 in 1904-5.

Mr. P. S. G. Mackenzie followed in a vigorous arraignment of the Protestant Committee of Public Instruction as being responsible, in part, for the deplorable state of the Protestant schools. He claimed that body to be dominated by Montreal sentiment and conditions and to be out of touch with the rural people and interests. The subject was again discussed in the House on Feb. 27th when Hon. Mr. McCorkill defended the Protestant Committee, deprecated the statements made as exaggerated and, where the schools had retrograded, was more inclined to blame the Protestant rural population than the Committee. Mr. G. Langlois made a strong arraignment of the entire school system of the Province, under which he claimed that the school teachers were paid more poorly than in any other part of the Dominion. He declared that it was the absolute duty of the Government to find means to largely increase the grants for public instruction and gave several illustrations of the ridiculous salaries offered to teachers. While he quite believed in the advisability and even in the necessity of properly trained teachers, he also claimed that there were exceptional cases in which it was necessary for temporary permits to be issued to untrained teachers.

Mr. G. W. Stephens, as well as other speakers, paid tribute to the great services of McGill University in educational development. He defined the problem before them as follows: "Briefly stated there are at present 200,000 children being educated in the primary schools of this Province, and 250,000 more who are

not being educated at all. These 450,000 children are going to be the fathers and mothers of future generations. If we deny them the best education possible we are going to cripple and retard the progress of this Province. At the present moment, there is no place on the continent of North America, except a few of the southern States, where illiteracy predominates to such an extent as it does in this Province." It appeared to Mr. Stephens that the real reason why the primary education in Quebec was in a poor condition and giving poor results was the fact that it apparently expected to secure teachers at starvation wages. He declared that the teachers of 5,000 primary schools in the Province were paid an average salary of $100 each. Measures were presented to the Legislature, but not pressed, dealing with the Public Schools of Montreal under the Protestant Board (Mr. C. B. Carter) and with the Public Schools of the City generally (Mr. G. Langlois). On Mch. 19th the Methodist Ministerial Association of Montreal protested vigorously by Resolution against any change in the mode of appointing the Board of Protestant Commissioners.

There was published in the press, or uttered in the series of meetings carried out in the Eastern Townships during the year, a whole series of criticisms, opinions, proposed reforms, and needful changes in the Provincial system of Protestant education. The abolition of the 1897 regulation under which all teachers in Provincial rural schools had to pass through the McGill Normal School; the abolition of Provincial Normal Schools and the application of their cost and maintenance to the rural schools; the organization of additional training schools for teachers in the rural districts; the selection of some country academies as training centres; a return by the Protestant Committee to the former practice of issuing diplomas without professional training; were all proposed as panaceas. Dr. Elson I. Rexford, Head-master of the Montreal High School, in the Montreal *Witness* of Apl. 7th strongly opposed all of these proposals and described the hope of the Committee of Protestant Instruction as lying in the benefactions and educational policy of Sir W. C. Macdonald and in maintaining the high standard of its certificates. Speaking in Montreal on Apl. 11 Dr. G. W. Parmalee, Secretary of the Department of Public Instruction, urged better salaries for teachers which would ensure greater permanency and efficiency; the consolidation of small rural schools which would enable the Normal School to provide all the teachers that were required; the education of the rate-payers in the necessity of spending more money on schools.

On Aug. 14th the first of a series of Conferences on Elementary Education, organized by Hon. S. A. Fisher, Dominion Minister of Agriculture, was held at Huntingdon with the endorsation of the Protestant Committee, the support of Hon. W. A. Weir, Speaker of the Legislative Assembly, the aid of a number

of prominent Educationists and the unofficial sympathy of the Provincial Government. The meetings had been announced by a sort of Manifesto signed by Hon. Mr. Fisher, Hon. J. C. McCorkill, H. B. Ames, M.P., Hon. W. A. Weir, Dr. W. L. Shurtleff and G. W. Stephens, M.L.A. It described briefly the condition of affairs, the necessity for popular comprehension and public aid, and the appointment of a Committee to work toward this end. At the Huntingdon meeting Mr. Fisher opened the discussion and took the preliminary ground that Protestant elementary instruction in Quebec was "not equal to the education in the schools of the other Provinces of Canada"; that authoritative and expert opinion put the cost of an efficient education at $25.00 per pupil of the average attendance while Quebec spent $10.00; that one of the chief evils in Quebec was the Government grant being so arranged as to compel a school for every 12 pupils and the fact that 430 Protestant schools had an average attendance of only that number; that an increased taxation of one mill on the dollar realizing $50,000 for the Protestant schools and $350,000 for the Catholic schools would be enough for present purposes. The Rev. Dr. Rexford complained of the cheap, inexperienced, untrained young minds in charge of the pupils as one of the great evils of the present system.

The Hon. W. A. Weir dealt with the lack of public interest and political care in educational matters in the past; defended the young girl teachers and the farmer who might object to sending his daughter a hundred miles or more to the McGill Normal School; objected strongly to the fact that the elementary schools of the Province for 30 years had been receiving only one-half of the money voted by the Legislature for education, and declared that as they were attended by 92 per cent. of the children of the Province they should receive nine times as much as the Superior Schools. He suggested, as one means of remedying the general condition, an endowment fund of $1,000,000 raised by the people or contributed by some wealthy individual. Prof. J. W. Robertson suggested that Montreal, being wealthy, should not take its share of the Government grant and should, also, contribute $25,000 to aid the poorer municipalities. On the same day a meeting was held at Richmond with Hon. J. C. McCorkill, Provincial Treasurer, Major G. W. Stephens and Dr. G. W. Parmalee as the chief speakers. Another meeting at Knowlton also took place on the 16th addressed by the Rev. Dr. Rexford at length and by Mr. C. H. Parmalee, M.P., Mr. P. S. G. Mackenzie, M.L.A., and Hon. J. C. McCorkill. At Inverness Dr. Parmalee, Hon. W. A. Weir, Dr. Robertson, and others, were the speakers. On Aug. 23rd a gathering was addressed at Lachute by Hon. Mr. Weir, Dr. Rexford, Dr. Robertson and Hon. Mr. Fisher. At Ayerscliffe on Aug. 30 the last of the Conferences was held and addressed by Dr. W. L. Shurtleff, K.C., Hon. J. C. McCorkill and Dr. Parmalee. At the Convention of Protestant

Teachers of Quebec held at Montreal on Oct. 20, Resolutions were passed (1) declaring the Provincial supply of competent teachers to be an economic problem as it was elsewhere in the country; and (2) regretting the Protestant Committee's action in admitting persons without professional certificates to the schools.

The obvious sympathy of the Government with the education campaign just described, and expressed so strongly by Messrs. Weir and McCorkill, was put to a test on Dec. 19th when a deputation of members of the Protestant Council of Public Instruction waited upon the Premier and asked (1) for an increase in the grants given for Protestant education; (2) for greater discretionary power in the hands of the Protestant Committee regarding the disposal of the means now available; (3) for a specific grant to McGill and Bishop's College; (4) for increased powers in the matter of school consolidation. The Prime Minister was sympathetic with regard to all of these requests and legislation was promised at a not distant date. Turning from the Protestant system to that of the Roman Catholics the quotation which follows from a speech by Hon. Boucher de la Bruère, Superintendent of Public Instruction (Montreal, Sept. 7) affords an interesting sketch of a different standpoint:

> **The teachers in the school are not the representatives of Governments, but of the father and mother of the family. The latter give their children in their early years the education that becomes them; they teach them to know and love God and also give them the first idea of things. But taken up with the cares of the home and the daily work of life, a time comes when they cannot themselves provide all the teaching that their children require. It is then that they send them to school and place them under the care of a teacher of their own choice. The father has the right to demand that such teaching shall be in accordance with his religious faith; it must correspond with his principles rather than with those of the men who hold the reins of government. The mission of the civil power, or the state, is simply to help the parents and give them its support, for it has not received from God the mission to teach.**

An incident of the year was the discussion aroused over a proposal made by the Provincial Government looking to an amendment of the law so as to constitute the Provincial Secretary—who was informally the mouthpiece of educational interests in the House—a Member of the Council of Public Instruction with power to sit on both the Protestant and Catholic Committees. The Superintendent of Public Instruction wrote to the Hierarchy of the Province asking an expression of opinion in the matter and, it was understood, received replies from every Bishop and Archbishop objecting to, or protesting against, the proposal. They also refused to support a suggested Advisory Council composed of primary teachers. At a meeting of the Catholic Committee on Jan. 31st a motion approving of the suggestion as to the Provincial Secretary was lost by 15 votes to 8—the minority including the Premier and several of his ministers.

Practically, the opposition was against the indirect creation of a political Minister of Education. In Montreal, during November, the Medical School Inspectors' Report showed a shocking state of affairs. There were 20,000 complaints against the health of 43,000 children; allegations as to unsanitary conditions, bad ventilation and even filthiness of surroundings and persons; defective vision and decayed teeth amongst many thousands of pupils. During the Legislative Session on Feb. 2nd, however, the Provincial Secretary stated that there were 5,902 schools under the control of the Province with 8,026 classes. In 6,677 classes the ventilation was good. Speaking on Dec. 10th, Mr. G. Langlois, M.L.A., and on Dec. 6th Hon. W. A. Weir, both strongly urged improved elementary and technical education in the Province.

Educational Incidents and Conditions in Quebec

Apart from the Government policy of further assistance to Education and the Eastern Townships' campaign on behalf of improved Protestant education, there is not much to say of Quebec conditions in this respect. The transfer of the schools to female teachers continued and at the beginning of 1906 totalled 302 male to 6,895 female lay teachers while one-fifth of all the Protestant teachers and one-sixth of the Roman Catholic teachers were without diplomas. Dr. S. P. Robins, the distinguished Principal of McGill Normal School for 22 years, offered his resignation but was persuaded to retain the position for another year. The Provincial Association of Protestant Teachers met in Montreal on Oct. 10th with Rev. Dr. Barclay presiding. In his address the Chairman said that education should be a training for life; not a training for a livelihood. The ideal curriculum, in his opinion, was that which had the fewest subjects. He was very much against the idea of educating a child for this or that position. Inspector J. W. McOuat was elected President. The Protestant Board of School Commissioners of Montreal met on Sept. 12th and elected the Rev. Dr. W. I. Shaw as Chairman. Amongst the things which he indicated as necessary were increased accommodation in the elementary schools, better sanitary conditions, medical inspection of children, and an increase in teachers' salaries.

The Report of the Superintendent of Public Instruction, dated Jan. 22nd, 1906, dealt with the recently completed revision of the course of study for Roman Catholic schools by Abbé G. Dauth, Vice-Rector of Laval University; the encouragement of horticultural work in the primary schools; the coming completion of the Roman Catholic Normal School for Girls at Rimouski which was to be placed in charge of the Ursulines of Quebec; the order issued for construction of similar establishments at Chicoutimi and at another locality in the Province. The Superintendent described the average attendance of pupils in elementary schools as 81·09 and in Superior Schools as 85·96; the average

attendance in the Normal Schools as 410 out of 416 and in the Universities 2,248 out of 2,258; the number of children attending schools as 355,213, or an increase of 40,486 pupils in seven years; the general school contributions as having increased $1,033,137 in seven years. Fuller details are compiled in the following tables:

I. *Roman Catholic Elementary Schools.*

Schools under Control of Commissioners	4,481
Independent Schools	65
Roman Catholic pupils	180,630
Protestant pupils	634
Average attendance	130,393
Male Lay Teachers with diplomas	20
Male Lay Teachers without diplomas	2
Female Lay Teachers with diplomas	4,002
Female Lay Teachers without diplomas	721
Male Teachers in Orders	78
Number of Nuns teaching	498
Average Salary :—	
1. Male Lay Teachers with Diplomas, in Towns	$515
" " " in the Country	$263
2. Female Lay Teachers with Diplomas, in Towns	$170
" " " in the Country	$117

II. *Protestant Elementary Schools.*

Schools under control of Commissioners	637
Schools under control of Trustees	223
Independent Schools	4
Protestant Pupils	26,559
Roman Catholic Pupils	1,890
Average attendance	20,763
Male Lay Teachers with diplomas	18
Male Lay Teachers without diplomas	8
Female Lay Teachers with diplomas	840
Female Lay Teachers without diplomas	273
Number of Teachers in Orders	2
Average Salary :—	
1. Male Lay Teachers with Diplomas, in Towns	$1,309
" " " in the Country	$750
2. Female Lay Teachers with Diplomas, in Towns	$411
" " " in the Country	$170

III. *Roman Catholic Model Schools and Academies.*

Model Schools under control of Commissioners	403
Independent Model Schools	139
Pupils in Model Schools under control	67,889
Pupils in Independent Model Schools	13,946
Roman Catholic Pupils	81,480
Protestant Pupils	355
Average attendance in Model Schools	66,837
Academies under control of Commissioners	46
Independent Academies	109
Pupils in Controlled Academies	16,713
Pupils in Independent Academies	17,621
Roman Catholic Pupils	33,924
Protestant Pupils	410
Average attendance in Academies	29,987
Grand Total of Pupils in Model Schools and Academies	116,169
Male Lay Teachers with Diplomas	179

Male Lay Teachers without Diplomas	14
Female Lay Teachers with Diplomas	367
Female Lay Teachers without Diplomas	109
Male Religious Teachers	958
Female Religious Teachers	2,516
Average Salary :—	
1. Male Lay Teachers with Diplomas, in Towns	$689
" " " in the Country..	$358
2. Female Lay Teachers with Diplomas, in Towns	$178
" " " in the Country..	$138

IV. *Protestant Model Schools and Academies.*

Model Schools under control of Commissioners	45
Protestant Pupils in Model Schools	3,722
Roman Catholic Pupils in Model Schools	217
Average Attendance	2,803
Academies under Commissioners	26
Independent Academies	3
Protestant Pupils	5,699
Roman Catholic Pupils	248
Average Attendance	4,637
Grand Total of Pupils	9,886
Male Lay Teachers with Diplomas	50
Male Lay Teachers without Diplomas	11
Female Lay Teachers with Diplomas	268
Female Lay Teachers without Diplomas	13
Number of Religious Teachers	1
Average Salary :—	
1. Male Lay Teachers with Diplomas, in Towns	$1,178
" " " in the Country..	$656
2. Female Lay Teachers with Diplomas, in Towns	$394
" " " in the Country..	$258

V. *Roman Catholic Classical Colleges.*

Number of Colleges	19
Pupils in Commercial Course	2,572
Pupils in Classical Course	3,697
Average attendance	5,772
Number of Lay Professors	37
Number of Religious Professors	584

VI. *Miscellaneous.*

Total number of all kinds of educational institutions	6,427
Total male teachers	2,591
Total female teachers	9,741
Total Average Salaries in all Schools—	
1. Male teachers with diplomas	$695
2. Female Teachers with diplomas	$150
Value of school houses, furniture and school appliances	$15,665,418
Value of taxable property	$502,503,898
Contributions of Municipalities toward Education—	
(*a*) Annual Taxes	$1,756,557
(*b*) Special Taxes	$192,780
(*c*) Monthly Contributions	$250,034
(*d*) Cost of maintenance of independent and subsidized institutions	$1,404,387
Total Contribution from Municipalities	$3,603,758
Total Contribution from Government	$480,760

The annual Report of McGill University for 1905 referred to the assumption of control over the Faculty of Medicine, the

establishment of a Department of Transportation, the opening of the McGill Conservatorium of Music, the assimilation of the Bishop's College Medical Faculty, the work of the affiliated Schools in Vancouver and Victoria, the friendly attitude of Mr. Premier Gouin toward Education, the dearth of qualified teachers in the rural districts, the Students' Union Building presented by Sir W. C. Macdonald, and the organization of the McGill Rifle Club. The income of the year was $430,411 and the expenditure $4,000 more. The 1906 Report referred in fitting terms to the continued benefactions of Sir W. C. Macdonald; to the University's appeal to the public for more funds; to the "ignorant misrepresentations" directed against the McGill Normal School and the University element in its administration; to the conspicuously successful operations in British Columbia and the incorporation of Vancouver College by the Provincial Legislature as the McGill University College of that Province; to the total number of students in attendance as 1,312 with 29 in the Faculty of Law, 383 in Medicine, 460 in Arts, and 386 in Applied Science. It was decided during 1906 to add a Commercial Course to the Curriculum though no exact time was settled and plans for the establishment of a Post-Graduate School were also prepared and approved—the latter to grant degrees of M.A. and Ph.D. The Vancouver and Victoria Colleges were very successful at McGill during the year and in July, 18 of their scholars figured in the first 30 names of successful matriculants at the University.

It was announced on Oct. 20 that Sir W. C. Macdonald, whose gifts to McGill already totalled $3,000,000, had endowed a Chair of Teaching. At the end of the year (Nov. 16) the Board of Governors decided to appeal to the people of Montreal for financial aid and to organize a special endowment fund of $1,000,000. To this Mr. Robert Reford subscribed $50,000 on condition that the total sum should be raised within a year. The document presented to the public stated that this was the first appeal in 25 years for aid; that the University was not in receipt of Government support; that every department and faculty were hampered for lack of funds; that the Governors had, in many cases, contributed personally and generously to meet existing difficulties; that since 1885 operations, expenses and requirements had all greatly increased.

On June 18th Sir William Macdonald intimated to the Board of Governors that he had completed arrangements for transferring to the Board, as Trustees, the lands, buildings and properties of the new Macdonald College at St. Anne de Bellevue with its endowment fund, in addition to first cost, of $2,000,000. This important new institution with the double object of giving education and encouraging research in agricultural science, and providing suitable and effective training for teachers, was to rank as a College of McGill University. Laval University, during

1904-5—the latest year for which figures are made public—had 54 Professors and 391 students at its Quebec institution and 125 Professors and 685 students in Montreal. The latter institution included a Polytechnic School, a Veterinary School and one of Surgical Dentistry as well as the Faculties of Theology, Law, Medicine and Arts which it had in common with its Quebec sister. There were 5 Grand Seminaries and 17 Colleges affiliated and the graduates in 1904-5 numbered 257. During 1906 steps were taken to found a Commercial and Technical School in affiliation with Laval. Of the 19 Classical Colleges in the Province the reported value of buildings and land was $2,693,200; the yearly expenses $484,841; the number of volumes in libraries 368,454; the number of pupils attending 6,269—all but 17 being Roman Catholic and all but 476 French; the numbers in the classical course were 3,697 and in the commercial course 2,572. The Normal School of Jacques Cartier had in 1904-5 87 male (teaching) pupils and 75 female; Laval Normal had 50 male (teaching) and 76 female pupils; McGill Normal had 5 male and 123 female teaching pupils. In connection with scientific Forestry the Hon. Mr. Turgeon announced on Jan. 18th that the Government had decided to obtain competent aid and to this end had accepted a recommendation from Mgr. Laflamme of Laval University of two young men—one from Montreal and one from Quebec—whom it would send to follow a two years' course of lectures in the School of Forestry at Yale University. The principal appointments made and Honorary Degrees conferred in 1906 were as follows:

I. *University and College Appointments.*

Institution.	Name.	Position.
McGill University	Mr. E. S. Clouston	Members of the Board of Governors.
" "	Mr. Robert Reford	
" "	Mr. C. M. Hays	
" "	Principal Peterson, C.M.G.	Member of the Board of Governors.
" "	Mr. J. L. Morin, M.A.	Assistant Professor of Modern Languages.
" "	Mr. R. E. MacNaughton, B.A.	Assistant Professor of Classics.
" "	Mr. J. W. Haywood, M.Sc.	Assistant Professor of Mechanical Engineering.
" "	Mr. H. O. Keay	" " "
" "	Dr. J. W. Robertson. C.M.G.	Governor's Fellow.
" "	Dr. J. W. Stirling.	Professor of Ophthalmology.
" "	Mr. J. W. Cunliffe, D.Lit.	Associate Professor of English Language and Literature.
" "	Mr. Leigh R. Gregor, Ph.D.	Associate Professor of Modern Languages.
" "	Mr. Howard T. Barnes, D.Sc.	Associate Professor of Physics.
" "	Mr. Stephen B. Leacock, B.A., Ph.D.	Associate Professor of Political Science and History.
" "	Mr. A. S. Eve, M.A.	Assistant Professor of Mathematics.
" "	Marie-Louise Milham	Assistant Professor of Modern Languages.
Loyola College	Rev. G. O'Brien	Rector.
St. Mary's Jesuit College	Rev. Joseph Lalande	Rector.

Institution.	Name.	Position.
Wesleyan Theol. Coll.	Rev. C. E. Bland, B.D.	Professor of Philosophy and Ethics.
Laval University	Rev. J. M. Flahaut	Professor of Mineral and Organic Chemistry.
University of Bishop's College	Rev. Dr. H. de B. Gibbins	Principal.
Royal Victoria College	Miss Ethel Hurlbatt	Warden.
Macdonald Agricultural College	Mr. Ernest C. Drury, B.S.A.	Professor of Agriculture.
" " "	Mr. L. S. Klink, B.S.A.	Professor of Agronomy.
" " "	Mr. Harold H. Hume, B.S.A.	Professor of Horticulture.

II. *Honorary Degrees Conferred.*

Institution.	Name.	Degree.
McGill University	Hon. W. S. Fielding, M.P.	LL.D.
" "	Rev. Dr. James Barclay	"
" "	Donald MacAllister, M.D.	"
" "	Andrew Carnegie	"
Presbyterian College	Rev. P. H. Hutchinson	D.D.

Government and Politics in Nova Scotia

The Lieut.-Governor of Nova Scotia, Hon. Alfred Gilpin Jones, who had held the position since 1900 and prior to that, in 1878, had been Minister of Militia at Ottawa for a short time in the Mackenzie Government, died suddenly on March 15th. He was much respected and sincerely regretted. There were many rumours as to his successor. It was understood that Sir F. W. Borden preferred politics to acceptance of the post; Chief Justice Weatherbe, Mr. C. C. Blackader of the *Acadian Recorder,* Senator J. D. McGregor, Mr. George Mitchell, M.L.A., Mr. F. A. Lawrence, M.P., Mr. William Roche, M.P., Hon. George J. Troop, M.L.C., were either suggested by the press, or their claims brought to the attention of the Government, for the position. Several newspapers suggested the appointment of Sir Charles Tupper as a graceful Government action and a fitting end to that statesman's public life. On Mar. 30, however, the Hon. Duncan Cameron Fraser, Justice of the Supreme Court of the Province and an old-time politician of Liberal allegiance and Radical sentiment, was sworn in; after resigning his seat upon the Bench.

There were two appointments to the Government in 1906—one, the Hon. George Patterson, M.L.A. for Pictou, on May 21st, as Minister without Portfolio and his successor the Hon. B. F. Pearson, K.C., M.L.A. for Colchester, who was appointed on Dec. 22nd. Mr. Patterson had, meanwhile, been defeated in the general elections and had resigned his position. Mr. Pearson had been in the Legislature since 1901, was actively interested in various financial and industrial concerns such as the Dominion Coal and Steel Companies and, early in this year, had acquired control of the St. John *Sun* and its evening edition, *The Star.* He had been elected President of the new Board of Directors and the Conservative policy of these newspapers was promptly changed. Mr. O. T. Daniels, Liberal, was elected for Annapolis on Mch. 6 by 700 majority.

The policy of Hon. G. H. Murray's administration during the year was, very largely, a continuation of the quiet local rule of preceding years—disturbed, however, by the interjection of a general election and by participation in the Inter-Provincial Conference. An advance was made along educational lines and progress was satisfactory in the construction of the Halifax and South-Western Railway—a subsidized Mackenzie and Mann road. The Legislature was opened on Feb. 22nd with a Speech from the Throne delivered by the Hon. Mr. Jones, Lieut.-Governor, which referred to the two points of policy just mentioned; described the past year as one of fair prosperity in agriculture with handsome profits in fruit, coal-mining operations as very satisfactory, and the fishing and lumbering industries remunerative owing to good prices; welcomed the new Western Provinces into the Confederation and the coming Dominion Exhibition to Halifax; dealt with the unsuccessful efforts of an existing Company to construct the Nova Scotia Eastern Railway and indicated substantial aid to a concern with which negotiations were pending; anticipated an early settlement of financial relations with the Dominion; promised legislation improving the conduct of criminal prosecutions and intimated further measures for encouraging the protection of forests.

The Address was moved by Mr. C. F. Cooper and seconded by Dr. J. F. Ellis. Mr. C. E. Tanner, K.C., the Leader of the small Opposition in the House, followed in an elaborate speech. He criticized the Premier for not filling the important post of Commissioner of Works and Mines from the House of Assembly; and for keeping the Annapolis seat vacant since June of the preceding year when the Hon. Mr. Longley was appointed to the Bench; declared the prosperity of the Province to be due to other causes than those of Governments and parties; deplored the lack of markets within Canada for Nova Scotia coal and alleged it to be the Government's business to get those markets enlarged; expressed the view that Government neglect in past years to protect the forest resources of the Province, coupled with the giving away of large areas to party friends, was the cause of the present regretted condition; declared the agricultural industry of the Province as a whole to be non-progressive and the reason to be the absence of any systematic relation between the Government and the farmers or any organized effort to improve the situation; described the method of expending money on the Truro Agricultural College as being unsatisfactory in character and in results; expressed satisfaction with the Government proposal to increase teachers' salaries but took the ground that a good elementary education was the business of the State and only after that was achieved should higher education be aided; denounced what he termed the partisan management and mal-administration of railways in the Province and declared that but for this condition the Halifax and South-Western could have been built for

$3,200 a mile instead of $13,500; stated that work upon the Nova Scotia Eastern Railway always commenced in the County of Guysboro' just before an election and claimed that the Government was responsible for having arranged with a Company which could not carry out its agreements.

The Premier replied at length to this attack. The election in Annapolis was delayed, he pointed out, because there was no real necessity to fill the seat and no certainty as to the holding of another Session; the prosperity in, at least, the Coal industry was certainly due to the wise legislation of the Government and to its continued encouragement of that interest; the coal trade was searching for new markets and the Government would aid if a way could be found but there seemed to be no desire amongst those concerned to attempt the difficult task of exploiting Ontario as a field of operation. He did not believe in any but moderate taxation of the Lumber interests of the Province in view of certain differences which existed between the local industries and deprecated as simple ignorance the statement that encouragement of forestry could produce a larger revenue. As to agriculture Mr. Murray pointed to progressive and energetic Associations amongst the farmers, stock-breeders and horticulturists; declared that no reasonable request from representative agricultural bodies had ever been refused by the Government; described large expenditures for the bringing of good breeding-stock into the Province and asserted that the Government had obtained and were utilizing the services of the best dairying experts who could be obtained; expressed pride in the Agricultural College and complete confidence as to its future. He proceeded to denounce his critic for never giving the Government credit in the matter of economy; for urging from a position of irresponsibility increased expenditures upon education, good roads, etc., at times when he knew the revenue would not permit of such action; and defended at length the Government's railway policy of enlisting the aid of experienced railway builders in necessary construction work. The following explanation of the Halifax and South-Western affair was given:

> It was important in the interests of the Province to have a line of railway along the south shore of Nova Scotia connecting large and important centres with the City of Halifax, and the Government having faith in the merits of the enterprise agreed to loan upon the security of the railway the sum of $13,500 a mile. Every dollar of public money in this road is secured by first mortgage. This mortgage is for $13,500 a mile, and is the only mortgage on the road. We did not give, nor do we propose to give, a dollar of money to the Halifax and South-Western Railway. The entire loan bears interest at the rate of three and a half per cent., and if there is any default in the payment of this interest the entire road becomes the property of the people of this Province.

As to the Nova Scotia Eastern, Mr. Murray stated that the more recent delay was connected with the death of two of the promoters in London, one after the other, and the subsequent failure

of an issue of bonds in that market. He criticized Mr. Tanner for not supporting the Government in its demand for increased subsidies from Ottawa with the advantage of $150,000 larger Provincial revenues. These remarks concluded the debate and the Address passed without division. In presenting the Report of the Secretary of Agriculture to the House on Mch. 1st the Premier referred to the number of agricultural societies in active operation as 164 with members' subscriptions of $11,888 and a Government grant of $10,000; to the success of the 28 experimental orchards, established by the Government; to the regular attendance at the Truro Agricultural College as 68 and the occasional attendance as running up to 200 with classes in field and animal husbandry, horticulture, dairying, poultry and veterinary practice. Mr. Tanner criticized the Report by quoting figures of reduced production in creameries and cheese factories between 1903 and 1904 and a slight reduction in live-stock between 1891 and 1901. On Apl. 11th Hon. Mr. Murray made a careful statement as to Prohibition and the Government's policy regarding Temperance questions. He described Canada as the most temperate country in the world and educative and religious efforts as greater influences for good than statutory enactments; referred to the only two methods of dealing with the question as being Prohibition or Local Option; described the former as difficult of enforcement because of the impossibility of preventing importation and manufacture and the latter as practically constituting prohibition in 16 out of 18 counties in the Province. Where Local Option failed he believed Prohibition would also fail:

> It appears to the Government that the practical question to be dealt with at present is to devise legislation which will assist in making the existing laws more effective. It is claimed that liquor is sold by licensees beyond the limits of the districts for which these licenses are held. The Government is of the opinion that this Legislature has power to enact that a licensee shall confine his sales to the limits of the city, town or municipality for which he holds his license and will introduce a Bill to accomplish this purpose. This seems to be practicable and may lead to beneficial results. Grave doubts are entertained as to the power of this Legislature to impose penalties upon common carriers, express agents or other agents for conveying goods sold by such licensees for delivery beyond their districts and to be paid for on delivery. The Government has determined, however, to enact such legislation leaving its validity to be determined by the Courts. This legislation when enacted will be the most advanced temperance legislation yet attempted in this Province and is as far as the Government will take the responsibility of going.

Later in the Session the Liquor License Act was amended along these lines. The question of encouraging immigration to the Province was brought up in the Legislature on Apl. 17th by Mr. M. E. Keefe. The Premier replied that the Government had been seriously discussing and considering the matter and had decided to take some steps for the promotion of agricultural immigration and settlement. A small sum would be asked from the Legislature to this end. Under the auspices of Hon. Mr.

Drysdale a measure was passed to reverse and revise the Nova Scotia Eastern project so as to enable a new Company to construct a line from Halifax to Guysboro' with branch lines to Country Harbour and to the I.C.R. at or near New Glasgow—thus helping to get Pictou coal to the coast at two points. The Government was authorized to aid the project with a loan of Provincial debentures or money to an amount not exceeding $12,000 per mile based upon the actual cost of the road and secured by mortgage. A reduction of $3,200 per mile upon the total amount would be allowed upon payment. The Halifax *Chronicle* of Mch. 8th stated that negotiations were practically completed with the Allans of Montreal to take hold of the project.

Other legislation enacted during the Session included a measure providing for the appointment of permanent Crown Prosecutors in the large centres of the Province appointed by and under control of the Attorney-General; a measure affording greater safety and better regulations in Coal mines; a revision of the Mines Act under which the Government might step in where the forfeiture of a Mining lease, with the resulting cessation of operation, caused danger to plant or minerals and take possession of the same and protect, or if necessary operate them, as an asset of the Province; a measure largely extending the Public Health Act and providing for the regular inspection of creameries, cheese factories, dairies, butcher shops, and other food products while increasing the general stringency of the law; measures extending railway exemption from taxation to those exempted by Federal legislation and repealing the Act under which railways in course of construction or operation were exempt from local taxation; providing free transportation for members of the Legislature and Civil servants connected with railways; imposing taxation on all chartered banks in the City of Halifax and defining the exemption powers of the City in the taxation of manufacturing industries. The Legislature was prorogued on April 28th.

Meanwhile, on Jan. 17th a large combined delegation from the Dartmouth Board of Trade and the Halifax County Council waited upon the Government to ask for increased representation for the County in the Legislature. The proposal made was to give the City two representatives and the County two. The Premier intimated in reply to various speeches that the subject, if dealt with, would involve a general re-arrangement of representation in the Province and that was a serious matter. The perennial discussion as to the Legislative union of the Maritime Provinces took place in Nova Scotia during the year; but there was not much popular strength in the advocacy although the arguments were excellent. The Maritime Board of Trade maintained its favourable attitude and articles appeared from time to time along the same line but papers such as the Halifax *Chronicle* and Sydney *Record* could see no practical advantage in the pro-

posals or public feeling in their favour. The outside view of the matter was well presented by the Toronto *Globe,* on Aug. 18th: "Such a union would enable them to pull together with greatly more effect than at present; would much diminish the cost and labour of government; and above all would lend a vastly-increased weight to their voice in the counsels of Canada. The new Province would start its career with close on a million people, and would at once step into rank as the third Province of the Dominion, there to remain until the aggressive West counts its population by the million."

Educational Policy and Conditions in Nova Scotia

In this Province the drift of teachers and pupils to the towns continued to be noticeable during 1906; the question of teachers and their salaries was as troublesome and prominent as elsewhere; the total expenditure upon Education passed the $1,000,000 mark; the high school grades continued to attract pupils in an increasing degree; new school Readers replaced those which had been in use since 1877 and Readers for the lower classes of the French schools were under preparation; the expenditure per pupil in average attendance was $18.24, or 35th in a list of States to the south which was headed by Nevada with a similar expenditure of $49.69 and New York with $45.40; the Normal-trained teachers continued to decrease proportionately and totalled 1,032 in the fiscal year 1906 out of 2,578 teachers employed, and compared with 1,068 and 2,566, respectively, in the preceding year. In his annual Report Dr. A. H. MacKay, Superintendent of Education, expressed regret that the Western Provinces continued to attract the Normal-trained teachers with their higher salaries and added:

> **The greatest weakness in our school system is the impossibility of obtaining trained teachers for all our schools. For the poorer rural schools we must generally be content to employ those who pass at least a high school grade of scholarship. After a short period of teaching on the small salary given in a rural school, they may proceed to the Normal School for training in teaching, or they may take up some other occupation. In either event they keep schools open which would otherwise be closed. A teacher undergoing the expense of a Normal training does not propose to be content with the small wage which may be the best the poor section can afford.**

According to figures compiled by Dr. MacKay the attendance at schools in the Province was very good—ranking per thousand of population in its elementary, secondary and University courses as 224 compared with 221 in Ontario, 220 in the United States, 166 in Germany and 222 in Scotland. The Superintendent described a College of Technicology or Engineering as a growing need of the Province; expressed gratification at the combination of a College of Agriculture under such special management as that of Principal Cumming with a Provincial Normal School under that of Dr. Soloan; described the extension in the schools of mechanical, domestic, and rural science; and declared the periodical medical

inspection of pupils—dental, optical and general—to be necessary. The following table indicates the educational condition of the Province:

Educational Statistics of Nova Scotia.

	July 31, 1905.	July 31, 1906.
School Sections in Province	1,836	1,828
Sections without Schools	165	187
Schools in Operation	2,429	2,446
Total Number of Teachers	2,566	2,578
Number of Normal-Trained Teachers	1,068	1,032
Total Male Teachers	386	366
Total Female Teachers	2,180	2,212
Number of New Teachers	441	444
Pupils in High School Grades	7,286	7,639
Total Pupils in Public Schools	100,252	100,332
Average daily attendance	56,229	58,660
Value of Property in School Sections	$95,540,091	$99,776,085
Value of School Property in Sections	$1,971,978	$2,048,739
Vote at annual meetings	$576,560	$655,705
Volumes in School Libraries	28,029	31,390
Total Municipal Expenditure on Education	$146,430	$147,088
Total Section Assessments	$576,560	$655,705
Total Provincial Expenditure	$271,656	$270,925
Teachers' Licenses issued	756	816
Mechanical Science Pupils	2,154	2,029
Domestic Science Pupils	1,756	1,677
Teachers in Graded Schools	1,000	1,020
Pupils in Graded Schools	50,296	51,499
Teachers in Ungraded Schools	1,566	1,558
Pupils in Ungraded Schools	49,956	48,833

A new Government policy in regard to education was announced at the opening of the Legislature when several reforms were promised: (1) Closer relationship between the Educational Department and the teachers and the appointment of an Advisory Board representing the latter; (2) establishment of a system of teachers' pensions; (3) changes in the method of paying public school grants. In presenting this legislation, on Mch. 13th, Mr. Premier Murray stated that the new Advisory Board of Education would be composed of seven members—two elected by the Provincial Educational Association and five appointed by the Government; that neither members of the Government nor the Superintendent of Education would be eligible for membership; that the functions of the Board would be to advise the Government and the Superintendent as to the following specific matters as well as general ones referred to the body from time to time: (*a*) text-books and apparatus for use in the schools and books for school libraries; (*b*) qualifications and examination of teachers; (*c*) courses of study for the public schools and the standard for admission to county academies and high schools; (*d*) the classification, organization and discipline of the Normal School, county academies and the public schools.

Another measure introduced by the Premier enacted that teachers of 40 years' service in the schools, or 60 years of age after 35 years' service, might retire with an annuity equal to the

Provincial aid individually granted to teachers of their respective classes of license; provided that teachers totally disabled or incapacitated after 20 years of service might retire upon a specific annuity; empowered School Boards, Councils and Trustees to supplement such annuities under pension or superannuation systems and also to provide for other teachers not included in preceding classes—which, it may be added, gave pensions running from $60 to $150 per annum. Still another measure of Mr. Murray's enacted the restoration of the original and larger grants by the Province to the teachers as given under the old system of 1887—dependent, however, upon the Government receiving increased subsidy arrangements at Ottawa. The amounts would then be payable in definite sums—Grades A and B $120; Grade C $90; Grade D $60.

On Nov. 17th members of the new Advisory Board were appointed as follows by the Government: Professor Howard Murray of Halifax; Hiram Donkin, C.E., of Sydney; William Cameron, ex-M.L.A., of Pictou; Inspector A. G. Macdonald of Antigonish; Principal W. F. Kempton of Yarmouth. Those selected by the Provincial Educational Association were Principal B. McKittrick of Lunenburg and Principal E. J. Lay, of Amherst. Meanwhile, a good deal of general discussion on these matters had been taking place. In the press during September a lengthy and elaborate discussion took place between Professor Howard Murray of Dalhousie University and Supervisor A. McKay of Halifax as to the desirability, or otherwise, of teaching Latin in High Schools and requiring its study for certain grades of teachers' licenses. At the ensuing meeting of the Provincial Educational Association a compromise was effected between the two opinions and Latin was made optional in the High School course. In connection with an alleged lack of harmony in the ideals, and co-ordination in work between the High Schools and Colleges of the Province, a Committee had been appointed in 1905 composed of many leading educationists and at the meeting just mentioned this Committee reported a tentative course of study which it had drawn up.

The Nova Scotia Universities and Colleges had a good year during 1905-6. King's College showed an attendance of 52; Halifax Presbyterian 26; Acadia 155; Dalhousie 362; St. Francois Xavier 129; and the College of St. Anne 53—a total of 777 students as compared with 736 in the preceding year. Some important changes took place in these institutions. King's College was again before the public in connection with the old question of federation with Dalhousie. Dr. Ian C. Hannah, the eloquent and versatile President, after a short term of office in which good progress was made along independent lines, came out as a convert to Federation and in June retired from his position. The Rev. S. Weston Jones, the financial agent of the College, reported at the Board of Governors' meeting on June 21 a col-

lection of $5,774 during the past year and pledges of $9,330 more. The Board refused to accept a Resolution looking to Federation or to any limitation in the rank and franchise of King's as a University. The Alumni of the University elected Dr. M. A. B. Smith and Mr. H. B. Tremain to the Board of Governors and in July the Rev. C. J. Boulden, M.A., Head-Master of St. Alban's School, Brockville, Ont., was appointed President. On April 26th Dalhousie University graduated 71 students from its various courses of whom 28 were in Arts and Sciences, 13 in Medicine, and 13 in Law. Later in the year President Forrest announced that Dalhousie was to share in the Carnegie Fund for the Advancement of Teaching and, on Aug. 2nd, Mr. James Leitch, Professor of Modern Languages, retired and was granted a pension of $1,200 a year from the Fund. Prof. H. P. Jones, PH.D., of Hobart College, Geneva, and a graduate of King's, was appointed in his place.

In Acadia University, Wolfville, an important change occurred through the retirement, after 9 years' service, of its President, the Rev. Dr. Thomas Trotter. His health was poor and he had just completed a fund of $200,000 for the College of which Mr. J. D. Rockefeller had given one-half. On June 6th Dr. Trotter was presented with an Address and a purse of $1,000 and a little earlier in the year had been made an Hon. LL.D. of Dalhousie University. Difficulty was found in filling the position and it was understood to have been declined by the Rev. Dr. O. C. S. Wallace of Toronto, Rev. Dr. A. K. De Blois of Chicago and Prof. F. Tracy of Toronto. In September Mr. Ernest F. Morse, B.A., was appointed Professor of Mathematics. During the summer Prof. R. Magill of the Halifax Presbyterian College was offered but declined a call to Manitoba College, Winnipeg. The Ven. W. B. Carey, M.A., Archdeacon of Kingston, was made an Hon. D.C.L. of King's University in 1906.

Nova Scotia Budget and Financial Conditions

The financial statement for the year ending Sept. 30, 1905, was submitted to the Legislature on Apr. 10th, 1906, by the Hon. G. H. Murray, Premier and Treasurer. The revenues for the year totalled $1,324,531 as against the estimate of $1,299,477; the expenditures were $1,303,708 as compared with the estimate of $1,298,933. The surplus was, therefore, $20,822 and the Treasurer indicated the surplus in each year since 1898 as totalling for that period, inclusive, the sum of $282,423. The revenue included the two principal sums of $613,811 from mines and $432,805 from Dominion subsidies; together with $20,521 received from Crown Lands, $22,495 from joint stock companies and marriage licenses, $61,492 from public charities and $50,388 from succession duties. The chief items of expenditure were $55,733 upon agriculture, $271,391 upon Debenture interest, $273,679 upon Education, $51,703 upon legislation, $43,217 upon mines, $12,879 upon public printing, $169,994 upon pub-

lic charities and $28,872 upon public works, $23 524 upon salaries, $10,796 upon sinking fund, $50,451 upon smaller bridges, $55,734 upon steamboats, packets and ferries, $10,155 upon Road service, and $76,950 upon the Road-grant to Municipalities.

The expenditures charged against capital account included $117,976 upon bridges and $614,741 upon railways, with smaller items, making a total of $755,818. The debt of the Province was $8,015,033, made up of $2,468,500 Debentures payable in Halifax, and $5,546,533 Debentures payable in London. The chief items upon which this money had been expended were the Halifax and South-Western Railway, $1,787,441; the Halifax and Yarmouth Railway $831,449; the Nova Scotia Central Railway $740,423; Bridges $2,403,064 and Roads $599,719. The assets of the Province were placed at $4,641,693 including first mortgages on the above-mentioned railways for a total sum of $2,887,-441 and a Provincial Debt Account with the Dominion Government of $1,056,111. The estimates for the year ending Sept. 30, 1906, were stated by the Treasurer at $1,375,216 of revenue and $1,373,299 of expenditure. In his address dealing with and amplifying many of these figures Mr. Murray went into the Government's policy regarding coal royalties, railway grants, roads and bridges, agriculture and educational affairs, and claimed credit for the adjustment of taxes and revenues to meet purposes of Provincial development and the keeping of Nova Scotia in line with the rest of the Dominion.

Mr. C. E. Tanner, for the Conservatives, criticized the Government's method of book-keeping, declared the protective tariff and not Provincial policy to be the cause of mining prosperity and increased revenues; denounced the Government for not giving the school teachers the $160,000 which represented the difference in salaries since the rates were lowered in 1887, and claimed the pension policy to be of little value; urged once more that the agricultural industry was not progressing despite increased expenditures by the Government; and alleged that the road moneys were being wasted for political purposes while the highways were in a very bad condition. Hon. Mr. Drysdale followed in an elaborate defence of the Government policy and was supported by Mr. Patterson and other speakers.

General Elections of 1906 in Nova Scotia

The Liberal Government of Hon. G. H. Murray, after ten years of power; with a record of sweeping success in two general elections; with only two Opposition members in the House of Assembly and none in the Legislative Council; appealed again to the people of the Province on June 20. A couple of weeks before nomination day all his candidates were in the field; while Mr. C. E. Tanner, with his tiny Legislative following, but larger popular support had, naturally, more difficulty in filling the vacant places. Eventually, however, with the exception of one

County, his party had candidates in all the constituencies. It was an uphill struggle for the Conservatives, but they fought the battle cheerfully and as vigorously as though success was really possible. The Premier issued an Address to the Electors on May 22nd when the dissolution of the Legislature was announced. His claims for public support were based upon a number of reasons and elaborated arguments which may be briefly condensed and summarized as follows:

1. Because the Government had for years struggled to obtain larger Dominion subsidies for the Province in order to carry out a policy of general development and because re-election at this juncture would strengthen its hands at Ottawa.

2. Because it had recognized and partly realized in action the needs of the Province along lines of Railway development and in harmonious co-operation with the Dominion authorities—notably in the construction of the Halifax and South-Western stretching under different names from Halifax to the Bay of Fundy; the Inverness and Richmond Railway, the Midland Line, the Cape Breton; and the pending construction of the road from Halifax to the Strait of Canso.

3. Because it had aided in consolidating and developing the Mining policy of preceding Liberal Governments and in obtaining an increased revenue from Mines which was proving helpful to every interest and portion of the Province.

4. Because it had established the new Agricultural College at Truro; encouraged the importation of stock, the establishment of travelling dairy schools, and the increasing formation of agricultural and horticultural associations; had bonused creameries and organized experimental orchards; and in many other ways was helping the welfare of the farmers.

5. Because it had maintained an efficient common school system; developed domestic science teaching, manual training and consolidated schools; given increased grants to poor sections and greater powers to Inspectors in carrying out the law; provided larger grants to teachers and a pension fund for the future while granting representation on an Advisory Council.

6. Because it had expended upon the bridges of the Province large sums of money, relieved the municipalities of the care and improvement of highways, given special sums for the construction of new roads, extended the use of road-making machinery and, generally, exercised careful control over this great public interest.

7. Because the Public Debt, while comparatively small, had yet been expended upon recognized and necessary public purposes, while direct taxation had been avoided and economy, combined with efficiency, practised in general expenditures.

The Premier summarized the Government policy in the following words: "Every proposed reform has been carefully inquired into and such legislation adopted as seemed to be necessary to keep pace with the advance of the times. Education has been liberally fostered, humane institutions have been handsomely supported, all reasonable temperance and moral legislation has been approved, agriculture has been encouraged, mining operations have been enormously developed, new enterprises have been aided, railways have been built, common highways have been improved, the streams have been spanned by substantial bridges, the statute book has been filled with valuable legislation adapted to the changing circumstances of the age. What more could have

THE HON. GEORGE H. MURRAY, M.L.A.
Prime Minister of Nova Scotia.

MR. CHARLES E. TANNER, K.C., M.L.A.
Leader of the Conservative Opposition in the Legislature.

The Nova Scotia General Elections, 1906.

been done?" The Liberal battle-cry was "For Murray, Victory and a Greater Nova Scotia." Mr. Murray's most notable address during the campaign was probably that given at Dartmouth on June 11.

As to the Opposition its place in the contest was a difficult one. Mr. C. E. Tanner, while Leader of the little remnant in the late Legislature, does not seem to have been actually accepted as Conservative Leader in the Province at large although permitted to bear the brunt of the fighting. At any rate, he did not assume the title and in his elaborate Address to the electors published in the Halifax *Herald* of May 25th as a much-placarded "advertisement" did not once use the designation. In its editorial comment, also, that Conservative organ referred to the document only as "Mr. Tanner's Address"; even while commending it to the careful consideration and appreciation of every elector. It was, indeed, an elaborate review of the situation and can only be briefly summarized in its conclusions: That the educational policy of the Government had been halting and hesitating, the Advisory Board would be without real power and ineffective, the pension system was of little interest to young and struggling teachers living on inadequate salaries; that the agricultural population was losing ground, the number of abandoned farms increasing, and the young farmers steadily leaving the Province; that the administration of law and justice was being degraded into the application of partisan corruption; that despite large expenditures of public moneys the highways and roads were in a worse condition than 25 years before; that in Bridge construction unchecked extravagance had marked both the character of the structures and the cost of the work; that railway construction had for years been played with for partisan purposes and that mismanagement in contracts was now making its cost excessive; that public lands had been wantonly sacrificed to party followers and the forests denuded without any return to the people—in Inverness and Victoria 500,000 acres having been leased to residents of Maine who shipped the pulp to feed their United States mills; that revenues and borrowed money had been, for years, expended without adequate return to the people and that, including the Eastern Railway project, the Debt was now over $12,000,000; that the Government had refused again and again to accept his own amendments to the Election Law which would have made corruption exceedingly difficult; that the Government audit of books, etc., was a mere sham; that, finally, long holding of office is and had always been fruitful of evil results.

As for his own policy he stood upon the Conservative Convention platform of 1905* with a personal advocacy of Provincial Prohibition, purity in elections, public interests as opposed to corporate power, the betterment of the working classes, reform and vigorous administration all along the line. The result of the one-sided contest was the return of the Government by an over-

* NOTE.—See *Canadian Annual Review* for 1905, pages 331, 332.

whelming majority of 33 out of 38 seats. The Opposition, however, had the satisfaction of winning five seats to replace its two seats in the previous House and of defeating Hon. George Patterson and Hon. H. H. Wickwire—two Ministers without Portfolio. Hon. C. P. Chisholm and Mr. F. R. Trotter in Antigonish, with the Premier and Mr. J. G. Morrison, had been already returned by acclamation. Hon. W. T. Pipes obtained a large majority in Cumberland and Hon. Mr. Drysdale in Hants; in Halifax County and City the three Liberals won by record majorities of over 1,000 each. As to the Conservatives Messrs. C. E. Tanner and J. M. Baillie defeated Hon. Mr. Patterson in Pictou; in Hants Mr. C. S. Wilcox, a prominent member in preceding Legislatures, won back his seat; in Richmond and Inverness the Conservatives each won a seat. The Opposition afterwards claimed that in 15 Counties, electing 32 out of the 38 members, there had been a Government vote of 37,579 and an Opposition vote of 32,935; with an increase over the 1901 Elections of 2,704 in the Government's vote and of 7,119 in the Opposition support. The members elected were as follows:

Constituency.	Name.	Politics.	Vote.
Antigonish	Hon. C. P. Chisholm	Lib.	Acclamation.
	F. R. Trotter	Lib.	Acclamation.
Annapolis	O. T. Daniels	Lib.	2,062
	J. A. Bancroft	Lib.	1,826
Cape Breton	A. S. Kendall	Lib.	5,225
	N. J. Gillis	Lib.	4,897
Colchester	William D. Hill	Lib.	2,567
	B. F. Pearson	Lib.	2,386
Cumberland	E. B. Paul	Lib.	3,619
	Hon. W. T. Pipes	Lib.	3,587
Digby	Hon. A. H. Comeau	Lib.	1,376
	A. M. Gidney	Lib.	1,253
Guysboro'	J. F. Ellis	Lib.	1,705
	W. Whitman	Lib.	1,634
Halifax	Hon. David McPherson	Lib.	5,550
	G. E. Faulkner	Lib.	5,475
	R. E. Finn	Lib.	5,372
Hants	Hon. Arthur Drysdale	Lib.	1,934
	C. S. Wilcox	Con.	1,859
Inverness	James Macdonald	Lib.	2,052
	C. E. MacMillan	Con.	1,639
	H. C. Haché	Ind.	1,540
Kings	B. H. Dodge	Lib.	2,152
	C. A. Campbell	Ind.	2,148
Lunenburg	C. U. Mader	Lib.	2,274
	H. A. March	Lib.	2,254
Pictou	C. E. Tanner	Con.	3,983
	R. M. Macgregor	Lib.	3,832
	J. M. Baillie	Con.	3,617
Queens	E. M. Farrell	Lib.	1,008
	C. F. Cooper	Lib.	874
Richmond	C. P. Bissett	Lib.	1,140
	F. Landry	Con.	806
Shelburne	M. H. Nickerson	Lib.	1,038
	Robert Irwin	Lib.	975
Victoria	Hon. G. H. Murray	Lib.	Acclamation.
	John G. Morrison	Lib.	Acclamation.
Yarmouth	E. H. Armstrong	Lib.	1,586
	H. S. Le Blanc	Lib.	1,425

On July 11th following Mr. B. F. Pearson, one of the re-elected Liberals of prominent standing, told the Montreal press that he would like to see the Dominion Government take over the railways in Nova Scotia and make them part of the Intercolonial; besides recouping the Province for its past expenditures in that connection. Another aftermath of the elections was the issue by the Halifax *Chronicle* on Aug. 6th of a platform of proposed Provincial reforms including (1) a system of higher technical education; (2) more modern and scientific methods of road-making, equipment and maintenance; (3) a substantial Government grant to the encouragement of iron-mining; (4) consolidation of Provincial railways under Dominion control in connection with the Intercolonial and consequent re-payment to the Province of $4,500,000—a revenue of $157,000 per annum; (5) the serious taking up of Forestry and Immigration by the Provincial Government.

Government and Politics in New Brunswick

There were no important changes in the Government of this Province during 1906; they were left to the succeeding year's developments. Rumours were persistent, however, from time to time as to the possible early retirement of both Mr. Premier Tweedie and Hon. Dr. Pugsley, the Attorney-General, with talk of the accession of Hon. C. W. Robinson to the Premiership. These re-construction efforts of certain newspapers were, of course, promptly denied and there the matter rested. In connection with other reports as to the possible effect of the new Judicature Act in bringing about his transfer to another Court Chief Justice W. H. Tuck of the Supreme Court stated that he had no intention of resigning his post and that nothing short of an amendment to the British North America Act or impeachment by both Houses of Parliament could compel him to do so.

The Legislature of New Brunswick, on Feb. 8th, was opened by the Hon. J. B. Snowball, Lieut.-Governor, in a Speech from the Throne which referred with gratification to the visit of H.S.H. Prince Louis of Battenberg and with regret to the death of Hon. R. Prefontaine; described good results as having come from the Government's continued encouragement of dairying; stated that the attempt to encourage apple production by the setting out of experimental orchards had been reasonably successful; referred to the Government's policy in paying the travelling expenses of students to the Agricultural Colleges of Nova Scotia and Ontario as being almost as useful to the Province as the costly establishment of a special College; expressed pleasure at continued progress in the movement for consolidated schools—especially at Kingston, under Sir W. C. Macdonald's auspices, in Albert County, at Florenceville in Carleton, and at Hampton in King's County; stated that a measure along compulsory education lines would be presented by the Government for approval; expressed gratification at the creation of the Provinces of Alberta

and Saskatchewan; referred to the Commission regarding the Restigouche Boom Company as ready to report; declared that reasonable ground existed for a belief that the coming Conference at Ottawa would result in the Dominion Government consenting to readjust Provincial subsidies; and promised a measure to amend the Liquor License Act. The Address was moved by Mr. Robert Murray, seconded by Mr. George Robertson and passed without division after a very short debate.

During the Session, which lasted until Mch. 22nd, some interesting discussions took place and some important legislation was passed. The Hon. Dr. Pugsley introduced and carried, without dissent, a measure admitting women to practice law on the same terms as men. He also put through amendments to the Succession Duties Act which provided that $4,000 instead of $5,000 should be the lowest value subject to such duties and that where the value of an estate of the deceased exceeded $25,000 and passed to near relations it should be subject to a duty of 1 per cent. up to the value of $25,000; over $25,000 and up to $50,000 two per cent.; over $50,000 and up to $100,000 three per cent.; over $100,000 and up to $150,000 four per cent.; over $150,000 to $200,000 five per cent.; over $200,000 and up to $300,000 six per cent.; over $300,000 and up to $400,000 seven per cent.; over $400,000 and up to $500,000 eight per cent.; over $500,000 ten per cent.

The Premier introduced (Feb. 16) and carried a measure providing for compulsory attendance at school. The Bill dealt separately with rural and urban districts. In the former it became operative upon a majority vote of the qualified ratepayers at school meetings and Trustees were given the duty of ascertaining names and particulars of all children between seven and twelve years of age as well as of their parents or guardians. As to enforcement, Hon. Mr. Tweedie explained that the Act did not provide for the appointment of truant officers but the mode of enforcing it was by making the parents or guardians of children pay the sum of $2 for each child who had attended school during no portion of the year, and *pro rata* for each child who had attended school but who had not reached the period of 120 full days required by the Act. Provision was made for exempting parents or guardians of delicate health or other sufficient reason. In cities or towns the majority vote of the municipal Council would bring the Act into operation and it could then be repealed only by a two-thirds vote. It was provided that every child between the ages of six and sixteen in city or town should attend school for at least 120 full days in each school year, unless there was sufficient excuse for non-attendance. Provision was made that any child more than twelve years of age who passed a satisfactory examination in grade seven of common school work and any other child more than thirteen years of age who had attended school sixty days during fourteen consecutive weeks in the pre-

ceding year, if necessity required him to work and who showed this condition to the satisfaction of the Board, would be exempt from the requirement as to attendance. Provision was made for specific exemptions, for habitual truants, and for penalties.

Ensuing debates in the House brought out renewed complaints as to the low teachers' salaries and consequently lower grades of instruction, as to the comparative costliness of Consolidated schools and a growth of illiteracy in the Province estimated to include 11 to 15 per cent. of the adult population who were unable to read or write. On Feb. 20 the Premier outlined a new Crown land and lumber policy for the Province. It consisted of (1) a thorough survey of all the Crown timber lands; (2) careful reports upon the lands where trees were necessary for the purpose of protecting streams; (3) the stoppage of cutting bark off hemlock trees and compelling the entire removal of trees which have been only partially utilized; protection of pulp-limit lessees, coupled with proper payments for holdings now kept at speculative prices; restrictions upon rotary mills and scalers of lumber.

A Judicature Act provided for the establishment of a Supreme Court of Judicature with appeal and trial divisions—three Judges in each; and abolished the existing system of a Supreme Court and Court of Equity. On Feb. 21st Mr. Premier Tweedie made the following announcement to the Legislature: "I have received to-day a *bona fide* offer from reliable parties to lease the Central Railway for 999 years at a rental of $21,000 a year. As we are liable to the amount of $700,000 on account of this Railway, the rental offered will pay 3 per cent. on what we have expended upon it. The Government has thirty days in which to accept or reject the offer and, if accepted, it will be necessary for me to bring in some legislation in regard to it. I hope that this offer will be as pleasing to the Opposition as it is to Members of the Government." The letter in question was from a legal firm in Montreal (the Greenshields) and stated it to be the intention of their clients to actively develop the local coal areas.

On Mch. 13th, Hon. G. F. Hill (Lib.) moved a Resolution declaring it to be desirable, and in the interests of the Province, that, upon sufficient guarantee as to the running and maintenance of the road being given, the Government should accept this offer. Various speakers opposed the motion upon the ground of insufficient information. Mr. George Robertson declared that the Railway would be cheap to anyone at $1,000,000. Mr. T. M. Burns contended that, with the coal royalties included, this arrangement would net the Province $28,000 a year. Hon. Mr. Pugsley quoted the Engineer who had reported on the Railway to the Government as stating that when the coal-fields were developed the road would net $40,000 a year. The Attorney-General went on to say that he was not speaking as a member of the Government but was willing to stake his political reputation on the

road. He added that he was authorized by the Dominion Minister of Railways to say that he believed the line would eventually be taken over and made a part of the Grand Trunk Pacific and that Mr. Emmerson had expressed strong opposition to the present proposal. "I believe the Railway is worth more than 3 per cent. or $700,000. I believe that within a very few years we will be offered at least $40,000 a year for it." Mr. Douglas Hazen estimated the total Dominion and Provincial expenditures upon the line at $1,200,000 and Mr. R. Maxwell (Cons.) moved an amendment declaring it inadvisable to express an opinion upon the matter until further information as to the Greenshields' offer was forthcoming. The Premier supported the proposed sale and, in connection with Mr. Pugsley's attitude and the Government's policy in the whole matter, said:

> That is a subject in respect of which the Government is not required to have a policy for it is simply a business proposition and a matter of judgment. The opinion I am about to express on this question is only an individual opinion and is not given as Premier or as member of the Government. An offer has been made for the road, but the Government has no more information that is contained in the offer. But what more do we want? I would have no right to ask Greenshields, whom do you represent? It is not customary for principals to declare themselves. All that we have to do is to see that the rights of the Province are protected. I am pleased that the member for Charlotte (Mr. Hill) has seen fit to introduce this Resolution. My view is that we should accept the offer providing that a sufficient guarantee is given and that the rates charged are subject to the approval of the Government.

The Resolution was lost by 28 to 8 and the amendment by 28 to 7. Meantime, on Mch. 1, Mr. W. C. H. Grimmer (Cons.) had submitted to the House a statistical table showing alleged personal receipts from the Province by the Attorney-General, in the years 1901-5, of 43,084 or an average of $8,616 a year as compared with his official salary of $2,100 a year. Dr. Pugsley replied at some length in explanation of a number of items incorrectly included in Mr. Grimmer's figures and in reference to the nature of the special and important legal work done by him for the Government and Province. "The Hon. gentleman must have been aware that the amount paid to me on account of the Eastern Extension claim covered large expenses which had been incurred when I was at Ottawa and also sums paid for the travelling expenses of the Provincial Secretary. I say again that if you take out my salary, the sums paid on account of the Eastern Extension and the Representation case, and the amount which the law allows me for Succession Duties, there will only be $5,550 left to represent all the work I have done for the Government in five years outside of the proper duties of my office. Even the Member for Charlotte (Mr. Grimmer) has not ventured to say that my charges were excessive and I again challenge the Leader of the Opposition to refer them to three experienced barristers and by their judgment I will abide."

The Liquor License Act presented to the House on Feb. 28th by the Premier contained some important amendments. It was said to be the result of a conference between the Government and a delegation of Temperance men and it undertook to make unlawful the sending of liquor by persons holding wholesale or retail licenses to or for any person in a county, city or town in which the Canada Temperance Act was in force or into any locality where the sale of liquor was prohibited or when such licensed person had reason to believe that the person to whom the liquor was sent was engaged in its sale in such a community. The penalty for breaking this regulation was cancellation of license. It was also made unlawful for any license-holder to send liquor through the agency of an express company to or for any person in the county, city or town in which the Scott Act was in force or where the sale of liquor was prohibited. An additional penalty was imposed for infraction of these clauses. Mr. Tweedie declared that the Government was not working for Prohibition but for the promotion of Temperance and that if the former policy, under the Canada Temperance Act in 9 counties, had been unsuccessful it would not be less so over the Province as a whole. Other legislation passed included a measure regarding the inter-Provincial question of bringing the timber down from branch streams of the St. John River to the mills and ports of export—a matter depending upon the co-operation of Quebec which the Government hoped to obtain; and a Bill intended to simplify the administration of the Crown lands by providing for their classification according to natural characteristics and their mapping into groups suited for use in agriculture or preservation as forests.

Following the Session of the Legislature and the Inter-Provincial Conference meeting the Premier spoke to the press in Montreal on Oct. 17th. The Province of New Brunswick, he stated, had gained $130,000 a year at the Conference without losing its right to receive 80 cents per head annually until it reached 400,000 of a population. The increased subsidy would be devoted to no particular department of the Administration, but would be expended in general and in public works such as the building of roads and hospitals and the development of the educational system. With regard to this latter subject Mr. Tweedie stated that there had been a great renewal of interest in Education of late in New Brunswick and that it was the Government's intention to foster its progress in every way. The salaries of teachers were to be augmented, new schools founded, and a pension fund for superannuated teachers established. At a public meeting in Rothesay, on Nov. 14th, Hon. Dr. Pugsley touched upon another point in this connection—after stating that when pending work was done "no more railway subsidies" would be the Government policy—by saying that: "At the right time we will press for our share of the Fishery Award which, with in-

terest, amounts to $1,500,000. This claim we intend to have referred to the Supreme Court or else effect a settlement by getting $50,000 or $60,000 yearly."

Late in the year the Government granted an extension of time to the Grand Falls Power Company which had arranged an amalgamation with large United States and Canadian interests and expected to start operations on May 1, 1907 which would involve an immediate outlay of $5,000,000, and the supplying of electric power to St. John, Fredericton, etc., together with the operation of railways and pulp-mills. In October it was stated that the New Brunswick Fish and Game Club, controlling 1,700,000 acres of land in Victoria and Madawaska Counties, intended to close their lands to the general public and transform them into a huge game preserve. The Premier at once stated to the press that he had informed the Company that such action would be looked upon with disapproval by the Government and Legislature. "While it was true that the vast area unfortunately granted to the New Brunswick Railway Company 35 years before had always been treated as wild lands and not subject to taxation, it was open to the Government, if an effort was made to use the property in a manner detrimental to the public interest, to impose a tax in proportion to their value."

The question of Maritime Union was not officially considered during the year but on Oct. 5th it was stated in the press that a new party was in course of formation and that some of its candidates would stand at the next elections. Dr. McVey of Rothesay stated that the union of the three Atlantic Provinces in one—to be called Acadia—was their platform and their object was the establishment of a Province strong enough in numbers and in influence to meet the growing power of the West. On Aug. 21st the St. John *Telegraph* had treated the subject as follows: "As a business proposition union must appeal strongly to the people of all three provinces, albeit there are political and sentimental considerations which will pull the other way. How many men are there with enough interest in union to start and maintain a stirring campaign of education in its behalf? As yet it cannot be called a live issue here. When it has become so Newfoundland must be considered too."

The first Liberal Convention held in New Brunswick since the preceding general elections met at St. John on Dec. 27th, at the call of Hon. H. R. Emmerson, and with several hundred delegates present. The Minister of Railways opened the meeting with Dr. E. T. Gaudet as Chairman of the Convention. A Provincial Liberal Association was formed and addresses given by the Provincial Premier, by the Hon. Dr. Pugsley, by Hon. F. J. Sweeney and many others. Of the Association Mr. A. O. Skinner, St. John, was elected President; Mr. O. Turgeon, M.P., Gloucester, 1st Vice-President; Mr. Alex. Gibson, Jr., Maryville, 2nd Vice-President; Mr. C. J. Osman, M.L.A., Treasurer; and Mr.

A. B. Copp, M.L.A., was appointed Organizer for the Province. An imposing banquet was tendered the Hon. Mr. Emmerson in the evening with Mr. Thomas McAvity in the chair and many Liberal leaders present. Hon. A. G. Blair was present at both the Convention and the banquet and on being called to the platform at the former intimated that he "had never strayed very far from the fold." During the banquet he also stated that he was prepared to carry the Liberal banner at the polls again if desired.

Budget and Financial Affairs of New Brunswick

The Hon. L. J. Tweedie presented his annual financial statement to the House on Feb. 10th. For the year ending Oct. 31, 1905, the ordinary revenue had been $865,637; the ordinary expenditure $874,-419—both within a small sum of the estimates. Besides these totals there had been receipts from a temporary loan of $550,000 and from Trust and Equity Court funds of $127,630; with special expenditures of $300,000 upon the taking up of the Bridge loans, $80,000 for redemption of debentures, $35,202 for Railway subsidies account, and $90,441 on Equity Court account. As to the loan Mr. Tweedie gave the following explanation: "Two years ago I made a sale of 3½ per cent. bonds at 99 but this could not be done now so that it was necessary for me to make a temporary loan. This loan was not made to meet current expenses as some would infer, but to pay off six per cent. debentures which were falling due, and to provide money for permanent bridges for which an issue of debentures had been authorized. I thought it better to make a temporary loan than to sell our bonds at a lower price than they will command at some future day and resolved to wait for a more favourable time. The loan was made with the Credit Foncier of Montreal."

Upon the matter of the $9,000 deficit the Treasurer claimed that his estimates had been very carefully made and that if he had received a certain sum owed and promised by the Dominion Government, on the cost of wharves, there would have been a surplus. The liabilities of the Province on Oct. 31, 1905, were $4,327,724 of which $3,622,846 were Provincial debentures bearing from 3 to 6 per cent. interest and $550,000 was the temporary loan described above. The assets of $1,834,606 included $529,299 due by the Dominion Government on Debt Account and $130,434 of sinking funds. The Treasurer proceeded in an elaborate defence or explanation of the Government's policy in connection with the Central or New Brunswick Coal and Railway Company. He submitted a Report from Mr. Gilmour Brown, C.E., as to the condition and requirements of the road—running 45 miles from Norton to Chipman and 15 miles thence to Minto and with some branch coal lines totalling 70 miles. He stated that geologists estimated the coal-beds of this region to contain 190,000,000 tons of coal and pointed out that when the Grand Trunk Pacific was built there would be a heavy lumber traffic on the New Brunswick

Railway as well as a growing coal production to carry. The earnings when completed were estimated by Mr. Brown at upwards of $20,000 a year over operating expenses. Mr. Tweedie then dealt with the Lumber policy of the Government as elsewhere described; with the aid given by it to mines, to the City of St. John dry-dock, etc., to the protection of game and the improvement of roads. Upon the subject of Dominion Subsidy re-adjustment and the Fishery claims he was emphatic:

> We have had assurances from high quarters that our subsidy would be increased, and I can only express my surprise that gentlemen, who were Premiers of Provinces and who took part in the Quebec Conference of 1893, and demanded more subsidies, after becoming members of the Dominion Cabinet, apparently took no further interest in the subject. When we see the liberal subsidies that have been given to new Provinces in the North-West, we cannot but feel that injustice has been done to the old Provinces which have borne the burden and heat of the day. I am surprised that the Minister of Finance, Mr. Fielding, who is strongly in favour of the claims of the Provinces, has given these claims no support since he entered the Dominion Cabinet. Still, I have no doubt that we will get a re-adjustment of our subsidies, for Quebec is pressing strong in that direction and Quebec generally gets what she asks for. As to the settlement of the Fisheries question I may say that I have every reason to believe that within twelve months a re-adjustment will take place.

The debate on the Budget lasted several days. Mr. W. C. H. Grimmer of the Opposition claimed that the Public Debt must be at least $5,000,000; if not why was the Province paying $266,000, or nearly one-quarter of its revenue, on interest? Mr. George Robertson contended that even if it were that amount it would not be a calamity; the debt of St. John City was over $4,000,000 and the people were not a bit alarmed over it. Mr. C. J. Osman pointed out that $2,166,902 of the indebtedness had been expended in subsidizing railways—the approved policy of the Province—and the balance largely for the construction of permanent bridges. Mr. Robert Maxwell, for the Opposition, asked why the Attorney-General should have received in extra fees and payments $11,000 in the past year and $40,000 in the past four years; declared the route of the New Brunswick Railway to have been, in part, badly chosen and the road to have been built so as not to be serviceable to the Grand Trunk Pacific; and denounced the Government as extravagant. "The Government since it came into power has been continually developing new methods of taxation. They have imposed taxes on Banks and Insurance companies. They have brought about direct taxation through their Highway Act and now they are proposing to increase the Succession duties. I wish to protest most emphatically against any Bill to increase these duties; it is simply robbery of the widows and orphans."

The Hon. C. H. LaBillois claimed that $80,000 was now available to repair the next summer's roads; stated that the new Highway Act had been a great success, that new roads were being constructed as rapidly as possible—12,183 miles as compared with

10,000 last year—and the 4,000 bridges of the Province carefully looked after; that as a result of the Government's Lumber policy the towns of Campbellton and Dalhousie were growing rapidly and the people prospering. Mr. Douglas Hazen, Leader of the Opposition, spoke at length on Mch. 5th. He declared the Debt of the Province at that moment to be $4,614,605; the actual deficit to be over $200,000 and the increase in debt during the past year to have been $248,000. He vigorously, and in detail, attacked the Attorney-General in the matter of fees and charges, as to his alleged violation of the spirit of Parliamentary independence, his party changes and "past political gyrations," and the policy of the Government in Railway affairs. Hon. L. P. Farris, Minister of Agriculture, replied and the Hon. Dr. Pugsley then defended his position in the matter of remuneration: "Outside the Representation case for which I went to England, receiving for it $5,000 including my travelling expenses and neglect of business, during the whole time I was absent; outside of the Succession duties, which are provided for in law; outside of my travelling expenses which go to railways and hotels and apart from my salary and sessional indemnity the whole amount that I have received in five years for professional service from the Government is only about $5,500. That amount covers attendance at Ottawa over and over again." He described some of the cases in which he had acted and the importance of the ensuing successes to the well-being of the Province; defended the general policy of the Government and reiterated his pleasure at having left the Conservative party in 1896. Hon. G. F. Hill spoke in support of the Government policy while, however, opposing the Succession duties and, on Mch. 6th, after a concluding speech from the Premier in an unusually long debate, the House divided upon the following Opposition motion presented by Mr. B. F. Smith, and defeated it on a straight party vote of 27 to 10:

Resolved: In view of the rapidly increasing public liabilities of the Province, which have increased upwards of $1,850,000 since the year 1899, and in view of the alarming increase in the sums paid by the Province for interest which have increased upwards of $50,000 during the last few years and now amount to upwards of $200,000, or nearly a quarter of the annual income of the Province; and in view of the large increase in late years in the controllable expenditure of the Province and of the demand now being made for an increase in the salaries of the teachers in the Public Schools and for expenditures on necessary public works and in connection with the public health; and in view of the increased burdens that are being imposed upon the people of the country in the administration of the Highway Act; that greater economy and prudence are called for in the management of the financial affairs of the Province than has prevailed during late years; and further

Resolved: That the action of the Government in permitting the Hon. Wm. Pugsley to draw many thousands of dollars from the Provincial Treasury in addition to his salary as Attorney-General and necessary travelling expenses in connection with the office, is a violation of the independence of Parliament and in contravention of the practice that prevails in other Provincial Legislatures and in all Parliaments under the British system of government; and is deserving of the censure of this House.

The Treasurer in his Budget summary had, meanwhile, estimated the revenue for the year ending Oct. 31, 1906, at $897,650 and the expenditures at $878,397 or a surplus of $19,252. The actual ordinary revenue, as announced in detail at the end of the year, for the fiscal period named, was $887,201 and the ordinary expenditure $879,065. The ordinary revenue included Dominion Subsidies of $491,360; territorial receipts—chiefly timber licenses and stumpage—of $304,313; Fees $13,852; taxes upon incorporated companies $36,986; Succession duties $12,056; Liquor licenses $21,943. In addition to these ordinary receipts there were $37,500 from debentures and $556,872 from Treasury Bills as well as $56,496 from trust funds. The expenditure included $26,029 upon agriculture, $17,523 upon administration of justice, $217,923 upon Education, $32,876 upon Executive government, $11,633 upon game protection, $161,304 upon interest, $197,350 upon public works. Against the debentures, etc., there were payments charged of $74,872 for permanent bridges, $110,500 for redemption of debentures and $550,000 for a temporary loan.

Educational Interests of New Brunswick

The question of teachers' salaries was prominent during 1906. In the annual Report of Dr. J. R. Inch, Superintendent of Education, submitted to the Government on Feb. 8th he drew earnest attention to the subject. "There is no reasonable ground to hope that the widely-experienced stringency arising from the scarcity of teachers will relax until one of two things occurs. Either the rate of teachers' salaries must, in some way, be increased proportionately to that of other employments requiring equal training and intelligence, or we must wait until the business pendulum swings in the opposite direction and a period of hard times takes the place of the prosperous period which we have experienced for several years past. The most difficult problem we are called upon to solve is not how to provide a sufficient number of well qualified teachers, but how to retain in the service the best of those who have been educated and trained with the teaching profession in view, and who have proved by actual service their fitness and aptitude for the work. The decreasing percentage of male teachers in actual service is another regrettable aspect of the present situation. A few years ago 25 per cent. of the teachers employed were men; last year the percentage was scarcely 17. As Principals of the larger graded schools and teachers of the older boys, effective men are needed."

About this time the New Brunswick Teachers' Association forwarded to the Lieut.-Governor and the Cabinet a numerously signed petition asking (1) for the compulsory attendance of children at school; (2) no further issuance of local or special licenses; (3) each parish to constitute a single school (so far as possible) with an elective or appointive school-board; (4) the sum of $40 per annum instead of $30 to be paid directly to teachers out of the County fund; (5) the Provincial grant to teachers of the first

and second class, after two years of service, to be increased by ten per cent. for the third year and by a further ten per cent. each additional year until a maximum was reached, running according to grades and sex, from $200 down to $120—with proportional increases to Principals of Superior Schools; (6) the Legislature to set a minimum salary to be paid by local school-boards; (7) a system of pensions to be established.

Legislation followed along lines already described. Speaking at the Chatham meeting of the N. B. Teachers' Association on June 29th Mr. R. E. Estabrooks declared that in one-fourth of the districts the school-houses were untenanted; that probably 5,000 children were growing up through the school age without even elementary education; that only the lowest grade of teachers could now be obtained in many rural regions; that Italian labourers employed in the Fredericton sewerage works could take four months' holidays and then make more money per annum than a third-class male teacher while farm labourers were paid more than a first-class teacher; that female teachers received less than domestic servants or waitresses; that in 23 years the salaries of New Brunswick teachers had increased as follows: Males, 1st class $69.67 and females 99 cents; males, 2nd class $1.09 and females $17.96; males, 3rd class $9.90 and females $9.19. The School statistics for the fiscal year 1904-5 as officially reported by Dr. Inch early in 1906 were as follows:

Educational Statistics of New Brunswick, June 30, 1905.

	1st Term.	2nd Term.
Number of Schools	1,784	1,750
Number of Teachers	1,851	1,866
Number of Pupils	57,906	60,400
Proportion of Population at School	1 in 5·71	1 in 5·48
Number of Boys	28,642	30,854
Number of Girls	29,264	29,546
Average Daily Attendance	40,501	38,559
Provincial Grants for Schools		$160,931
District Assessments		387,200
County Fund		91,947

Average Salaries in Schools—			
1. Male Teachers, 1st Class	$577 67	Female Teachers	$339 72
2. Male Teachers, 2nd Class	316 09	Female Teachers	248 23
3. Male Teachers, 3rd Class	234 90	Female Teachers	194 90

Teachers' salaries showed an increase in each grade. The University of New Brunswick had its most successful year in 1906. At the annual exercises on May 31st Dr. Thomas Harrison, Chancellor of the University, presided for the last time and conferred 14 degrees of B.A. with Honours and 10 without. Mr. C. G. D. Roberts, M.A., of New York and Bliss Carman of New York, the well-known Canadian poets, were given Hon. degrees of LL.D. and Mr. S. W. Kain, of St. John that of M.A. Prof. Stewart McDonald delivered a notable address in the course of which he declared that: "The commercial spirit is at the basis of the evils which have generated the present social unrest. It is the spirit

which places profit above principle, and individual prosperity above the welfare of the people. It is the spirit which threatens to turn Parliaments into the battle-ground of lobbyists and legislators into betrayers of the public trust. It is throwing a shadow over our intellectual life, converting our universities into workshops and making our technical students impatient of any study that does not suggest the swing of the hammer or the dollar-sounding clink of steel on steel." On Aug. 28th it was announced that Dr. Harrison was about to retire because of ill-health and after service as a Professor in the University from 1870 to 1885 and since the latter date as Chancellor. Prof. Cecil C. Jones of Acadia University was selected for the post on Sept. 6th being appointed also to the Chair of Mathematics. He was a B.A., M.A. and Ph.D. of the University of New Brunswick and had served since 1898 as Professor of Mathematics at Acadia. Toward the end of the year Prof. L. W. Bailey, PH.D., LL.D., retired after service on the Staff for 46 years as Professor of Natural Science, etc.

The annual exercises of the Mount Allison University and Colleges, Sackville, were held on May 28. Principal J. M. Palmer of the Academy announced a most successful year with 144 students in attendance and 38 graduates—the largest in their history. The Rev. Dr. B. C. Borden of the Ladies' Academy stated a registration of 329 students and the year to be the most successful on record. At the Normal School, Fredericton, the resignation of William Crocket, M.A., LL.D., as Principal was accepted after 50 years of educational work in the Province. He was appointed Principal Emeritus and his successor was selected in Mr. H. V. B. Bridges, B.A., School Inspector of York and Sunbury Counties. It may be added that in the spring of the year Mr. Chester Martin, B.A., of the University of New Brunswick, and the first Rhodes Scholar from the Province, won the notable Gladstone Memorial Prize at Oxford.

Prince Edward Island Political Affairs

The Government of Mr. Arthur Peters was not greatly disturbed by political matters in 1906. Its majority of 22 against 8 in the Legislature was a pretty safe one and the hope of eventually obtaining some re-adjustment of Dominion subsidies was ever-present in dealing with the recurrent financial deficits of the Province. The only change in composition was caused by the retirement of Hon. George Simpson and the appointment, on Oct. 30, of Mr. Matthew Smith to succeed him as Minister without Portfolio. At a Conservative Conference held in Charlottetown on Jan. 30 Resolutions were passed pointing with regret to the continued decrease of the Island's population and a growth of emigration from its shores which had resulted in the depreciation of real estate values and an increase in the personal taxation burdens of those who remained; describing the splendid opportunities really offered by the Province to farmers of limited capital; deprecating so much Federal advertisement of Western

lands and urging "energetic measures to attract to the Island settlers from abroad of a desirable class"; urging the Provincial Department of Agriculture to obtain definite particulars as to vacant lands and properties for sale together with location and quality and price, and to bring this data before the Ottawa Government for distribution with its other immigration literature; attacking the Government Stock Farm as being in an unsatisfactory condition and requiring re-organization; declaring that either a practical farmer should be Commissioner of Agriculture or else that he should be advised by a Commission of such character; asking for the establishment of a Dominion Experimental Farm, or station, within the Province; and endorsing the agitation for improved winter communication.

On April 11th a deputation from various farmers' interests waited upon the Government and asked that the Stock Farm be re-modelled as an Experimental Station. In connection with the general agricultural situation it was stated by Hon. S. E. Reid, Commissioner of Agriculture, before the Tariff Commission, that the soil of the Island had been injuriously affected by the local methods of farming and that the exercise of more intelligence, with the sowing of a short rotation of crops, would increase the annual value of hay, wheat and oats by at least $1,300,000; that the irregularity of rain-falls was another troublesome factor caused largely by the destruction of the forests; that the importance of good seed was very great and that the Government was doing everything possible to spread information upon the subject. After describing the rise of the dairy industry from 1891 to an output of cheese and butter in 1901 totalling $566,824, and then declining to $260,000 in 1904, Mr. Reid continued: "If our dairy industry is not to lapse entirely, we must have more education to keep us in the front rank of producers. The dairy industry, the most important branch of agriculture in this Province, might flourish even if our boys should not be able to translate a line of Cicero or even conjugate a Latin verb, but it is doomed unless they are taught how to feed and care for the cows." Hog-raising was described as profitable, the sheep industry as declining, the poultry production as encouraging. But one-half of the Island's revenue was spent on schools and these, Mr. Reid claimed, were conducted so as to take the boys away from rather than toward the farms.

The Island Legislature was opened on March 13th by Lieut.-Governor the Hon. D. A. McKinnon with a Speech from the Throne in which he referred to the visit in the past year of His Excellency Earl Grey, and the opening of the Macdonald Consolidated School at Hillsborough; to the recent coming of the Transportation and Tariff Commissions and the visit of Prince Louis of Battenberg; to the death of the Hon. Mr. Prefontaine and the accession of Hon. Mr. Brodeur in a Department specially affecting Island interests; to the death of Archbishop O'Brien of

Halifax who was a native of the Island; to the slowly improving condition of the farmers and the bountiful crop of 1905; to the Government's intention of consolidating the Provincial statutes which had not been dealt with since 1868 and of providing for a proper system of obtaining vital statistics in the Island; to the Government's expectation of an early settlement of the Subsidy question and its intention to introduce measures for the better protection of inshore fisheries and the cultivation of oyster areas and beds.

The Address in reply was moved in the House—older by one year than the Congress of the United States— by Mr. John Agnew and seconded by Mr. John McMillan. The former singled out Hon. Mr. Reid and his agricultural policy for congratulation; the latter declared that the school teachers of to-day did not impart as much knowledge as those of a generation ago. The Opposition Leader (Mr. J. A. Mathieson) in reference to Subsidy and Halifax Award matters and Provincial finances feared that " all that was left was hope," urged encouragement to the introduction of industries and promotion of immigration, and wanted a practical Experimental Station with the Government stock farm utilized, meanwhile, as a model farm. Other speakers charged a serious condition as to tuberculosis to exist amongst the cattle at this place and on Apl. 12th Mr. Murdoch McKinnon moved the following Resolution which was defeated upon a straight party vote:

That this House condemns the Government for gross mismanagement of the Stock Farm: (1) in importing and permitting to be imported live stock for the said Farm without having the same inspected as required by law to guard against disease; (2) in permitting the said stock to become so depreciated in quality as to be unsuitable for distribution for breeding purposes; (3) in permitting the stables and other buildings on said Farm to become so dilapidated and insanitary as to be unfit for housing live stock; and, further, that the present live stock on said Farm should no longer be retained, but that provision be made for procuring and properly housing new herds of strictly first-class animals, keeping in view quality rather than quantity.

The Address passed in due course and various debates took place as to current legislation and conditions before the House was prorogued on Apl. 21st. During the discussions it appeared that Mr. Premier Peters had charged nothing for his personal services in preparing and bringing the Provincial case regarding Representation before the Imperial Privy Council. It was stated that the bulk of the expense incurred was for Counsel fees to Mr. A. B. Aylesworth while the total paid was $3,000 less than New Brunswick's expenses in the same connection. Practical steps were taken regarding Immigration by the preparation of a Government handbook for circulation amongst desirable classes in Great Britain. It was decided to change the termination of the fiscal year from Dec. 31st to Sept. 30th so as to enable the Legislature to be called at an earlier season. Some important legislation was presented by

the Government. The oyster industry, which supplied about half the total Canadian production, had been decreasing in recent years and the measure, as finally approved, provided for the survey of beds and bottoms of the Provincial waters; for the granting of leases in defined plots, of not more than five acres to one person, upon such terms as might be arranged and not exceeding 20 years in length of lease; for the appointment of Inspectors and the enactment of penalties; for the exclusion from such leases of all live oyster beds, or unused mud beds or productive quahaug beds; for the property rights in such leased beds of all oysters planted, bedded, deported or grown by persons to whom certificates were granted; for licenses in the case of non-residents of the Province desiring to fish for quahaugs for sale or export.

Another measure imposed a minimum tax of $1,600 on Banks doing business in the Province and a general rate of one-twentieth of one per cent. on average loans and deposits of such banks having a total of more than $2,500,000 in that part of their business. Companies doing an Accident and Guarantee Insurance within the Province were also taxed $50 for each branch of this business transacted; sellers of stocks, shares, etc., not permanently resident in the Island or representing local concerns, were taxed $100 and resident stock-brokers $100; companies concerned in such sales of stock with Head Offices outside the Province were taxed $150. A measure was passed under Government initiative extending to 1920 an existing contract with the Telephone Company of the Island; continuing a small subsidy of $910 per annum; allowing the concern to extend its lines or branches to any part of the Province but not excluding the erection and operation of independent rural lines; providing that where rural systems were established and connected with the Company's lines they should reach an equal standard of efficiency. This Bill was opposed by the Boards of Trade at Summerside and Charlottetown and by *The Guardian* at the latter City as unnecessary because the existing contract did not expire for another four years.

The Government's reason for the legislation was the desire of the Company to effect various improvements in its service and to first obtain a renewal of its arrangement. An Act was passed defining and organizing the law regarding registration of births, marriages and deaths; another dealt with the general position of Insurance companies and defined the Provincial law in respect to contracts, policies, etc.; another authorized the City of Charlottetown to expend $20,000 additional for streets and sidewalks and to issue debentures for that amount. A Game Act was passed for the further protection of fish and game, and an Island Association was incorporated to aid in that connection while the Charlottetown Electric Transit and Power Co., Ltd., was incorporated without a clause prohibiting Sunday service as some members desired. In this latter connection a Letter was issued by the Lord's Day Alliance of Eastern Canada on Apl. 21st vigorously

urging the clergy to use their influence in protest and work against this legislation as intended to make a Sunday service imperative instead of optional or, at any rate, dependent upon mutual agreement between the Company and the Municipality.

Prohibition, as usual, was a prominent issue. On Feb. 15th the local Stipendiary Magistrate in Charlottetown dismissed a case in which it was claimed that giving liquor in a private dwelling-house came under the Act as an illegal offence. On June 7th, under permission given by the Dominion Government, upon receipt of a petition signed by the requisite number of electors, a vote was taken as to the repeal of the Canada Temperance (Scott) Act in Queen's County. If repealed the County would come in under the Provincial Prohibitory law and the whole Province be under the same regulations and prohibitions in this respect. The local County Temperance Association issued a Manifesto to the electors on May 18th urging them to support repeal on the ground that Provincial Prohibition was better than the restricted Scott Act form. The repeal carried by a large majority as had similar action in Prince County on Feb. 1st. On July 9th the entire Province came under Prohibition—the only such case in Canada—and *The Guardian* commented on the new situation as follows: "What is now needed is that the law shall be administered according to its intent and meaning by officials who are its friends and not its enemies, chosen without regard to creed or party, and because of their will and capability to make the law effective. Men of all creeds and parties have been active in the movement to secure Prohibition, and the public sentiment was never stronger in its favour than it is to-day."

In June the Hon. J. H. Cummiskey visited Ontario and obtained officially, and otherwise, much information with a view to improving the roads and bridges of the Island—especially by means of constructing concrete tile-pipe culverts. Toward the end of the year it was announced that the Government would build one central jail for the whole Province and had furnished land to the Dominion Government for the establishment of an Experimental Farm. A bye-election took place on Dec. 19th in Queen's County when Mr. Murdoch Kennedy, Conservative, was elected over the Liberal and Government candidate by 36 majority in a vote of 556 to 520. As the late Hon. George Simpson, a member of the Government, had been elected by 38 majority in 1904 the turn-over was considered quite a victory by Mr. Mathieson's followers. Outside of strictly local issues the contest was fought chiefly upon the Conference results and Subsidy conditions. A subject of continuous complaint by the Islanders against the Dominion authorities was the absence of a steady winter service with the mainland—a matter pledged at Confederation but never carried out. A payment had been made, it is true, in supposed satisfaction of claims and injuries involved but as the trouble continued the people were not satisfied. On Dec. 11 (1906) condi-

tions were unusually bad and the Charlottetown *Guardian* was emphatic in its comments upon "the gross and injurious breaches of faith" by the Government of Canada; with no parallel in Canadian history for "such callous and cruel neglect, breach of treaty compact and of solemn Ministerial pledges." It was stated that the two principal ports of the Island were closed for four months at a time and, "we give the Ministers fair warning," continued this paper, "Prince Edward Island cannot be kept in the Dominion on such terms." In the House of Commons on Dec. 18th Mr. Alex. Martin, a local Conservative representative, declared that the Island was on the verge of secession and would not stand such treatment longer. Hon. Mr. Brodeur, Minister of Marine and Fisheries, stated the situation to be exaggerated, the Island members to be at loggerheads and politics too much in evidence. He announced that in future the Department would not follow the advice of any of them but pursue a simple business course.

Another topic of discontented discussion was the service of the Island Railway, a Dominion Government concern. The mail service in winter as well as the express service was said to be unsatisfactory and a public meeting was held in Charlottetown on Dec. 27th to discuss a new winter time-table issued by the Railway. It was most vigorously denounced by speakers from all parts of the Island and a long Resolution of protest unanimously passed declaring that it would reduce the passenger and freight traffic, would seriously handicap trade, put the public to heavy loss and inconvenience, demoralize the mail service, discriminate against the out-lying parts of the Province, and ruin the fresh fish industry. Fresh impetus was given by all these conditions to the advocacy of a Tunnel project with the mainland under the 5 miles of strait between Cape Traverse, P.E.I., and the coast of Westmoreland County, N.B.

Financial and Educational Conditions in the Island Province

The Hon. Mr. Peters presented his Budget to the Legislature on April 12th. He regretted to say that the revenue and expenditure did not meet. The latter had been cut down to the lowest point but more funds would be required if public affairs were to be carried on as in the past. In the Public Works Department they were short of funds and in Educational matters more money was necessary instead of less. "We are finding it harder and harder to get teachers. It is a great evil which is caused through not having enough to pay teachers. Children are neglected when they do not attend school and that is objectionable. As far as I am concerned and as far as my Government is concerned we shall allow nothing to stand in the way of providing teachers for schools if we can possibly help it." For years taxation, and especially the taxation of farmers, had been held off but the time was now coming when his Government or some other Government would have to face the music in that respect. He

spoke with the evident sense of deferred hope regarding the coming Inter-Provincial Conference and the increased Subsidy question. If they really obtained that boon it would mean the government of the Province without deficits; if it was not granted the members of the Government were " men enough to go to work and make revenues meet expenditures by taxation "—which would, he regretted to say, fall hardest upon the farming population. Under these circumstances he criticized the Opposition for voting against the recent taxation on corporations and denounced its action in opposing the Dominion Subsidy Resolution. For some time past the Government had been paying the Banks 5 per cent. for overdrafts but, the Treasurer announced, he had now been offered the money by other local interests at 4 per cent. and the arrangement would save them $5,000 a year. Mr. Peters referred to the question of control over local fisheries—the ownership of which was absolutely a Provincial right. They had asserted this control in the Oyster-bed legislation.

The Opposition Leader (Mr. Mathieson) denounced the Government's financial policy without gloves. The sale of debentures had been advertised but so poor, he said, was the credit of the Province under present management that the Government could not float them. As to the Subsidy Resolution the Opposition had opposed it because under the Quebec Conference proposals which it was intended to endorse, the Island's condition would grow worse from year to year as that of the other Provinces grew better. He had opposed the Corporations' tax because the system adopted was bad—not the general principle. As to the rest " the Government has now been in power fifteen years. They came in on a promise to make revenues and expenditures meet, without imposing taxation. They have taxed the people to the extent of three-quarters of a million. Under them the debt has grown to $800,000. They have not, in any one year, kept the promises they made, except when they promised a deficit. They have steadily increased expenditure, they have allowed the educational system and system of public works to run down. They have made of the Stock Farm a curse instead of a benefit. They have solved none of the problems which, as a Government, they were bound to solve."

Mr. W. A. O. Morson claimed that upon the basis of Subsidy re-arrangement as proposed Ontario would receive an increase of 66 per cent., Quebec of 62·5 per cent., Nova Scotia of 46·7 per cent., New Brunswick 44·9 per cent., Manitoba 123·2 per cent., British Columbia 155:8 per cent., and Prince Edward Island 55·7 per cent. Hon. J. H. Cummiskey, in his address upon the Budget, referred to the many bridges built by the present Government and to the expenditure upon roads as averaging annually in the past five years $24,700—a much larger sum than was spent by the Conservatives when in power; contended that the

Opposition was responsible as well as the Government for the Debt in detail; described the indebtedness per capita as much smaller than in the other Provinces of Canada; referred to the improvements at Prince of Wales College and the addition to the Asylum and other necessary expenditures. Mr. A. Prowse (Apl. 17) delivered an elaborate Opposition speech upon the subject. He quoted the Public Accounts as showing a Debt on Dec. 31st, 1905, of $771,583 with other liabilities making a total of $834,-369 as against $171,000 in 1891—an increase in 15 years of administration from $1.56 per head of population to $8.54 per head.

A good deal was heard in various circles during the year regarding the success of Sir W. C. Macdonald's Consolidated School at Hillsborough and the Premier expressed the Government's wish on April 12th that funds permitted an extension of the system under Government auspices. The capital expenditure on land, building, equipment, maintaining vans, etc., had been $18,780 up to the spring of 1906 and six districts were represented amongst the children concerned. Six vans were in constant use, wheeled vehicles for summer and sleighs for winter, the former costing $180 each and the latter $50 each. The longest route was four and a half miles; the shortest three and a half miles. Pupils living within a mile of the school, if above seven years of age, were not conveyed in the vans. The average cost of conveying the children in 1905 was $1.55 per van per day, or $9.30 per day for the six vans. As compared with the six old schools the enrolment had increased from 148 to 161, the number daily present from 89 to 119 and the percentage in attendance from 60 to 74. The total of teachers' salaries showed an increase from $1,190 to $3,300, the difference being paid by Sir W. C. Macdonald and this favour was continued during 1906 and into 1907.

Another important development was the enlargement of Prince of Wales College in order to provide for the extension of a course of nature studies, establishment of a department of domestic science, and the supplying of additional facilities for teacher-training. These improvements were made possible by financial assistance from Sir W. C. Macdonald amounting to $55,000. The annual Report of Dr. Alex. Anderson, Chief Superintendent of Education, for the calendar year 1905 showed 20 schools still closed for lack of teachers though the total number employed had increased by eight. During the year 14 men received only $180 and 20 women $130 as their annual stipends for teaching. An increase in the amount of supplementary votes by school districts was urged as being the only way to obtain proper instruction and, instead of a minimum vote of $50 from each district as was expected, he stated that there were, in 1905, 109 teachers who received none whatever. The Consolidation movement was described as progressing and the public as beginning to understand it better; and the rural rate-payers were urged to pay more atten-

tion to manual training. But the pivotal subject of appeal and thought in Dr. Anderson's entire Report was the question of higher pay for teachers. "We must strive to retain the teachers we have and induce young men and women of talent and character to join the profession, for it is the teacher who makes the school. As the teacher is, such is the school. And how is this to be done? As I have said over and over again during the last five years—by offering largely increased salaries. It is money, first, last, and always money. But the Legislature cannot, in present circumstances, increase the statutory allowance. The only other source is the rate-payers of the Province." The statistics for the year 1905—the latest figures published—were as follows:

Number of School Districts	473
Number of Schools	475
Number of School Departments	590
Number of Schools Vacant	20
Teachers Employed	570
Number of Male Teachers	246
Number of Female Teachers	324
Pupils Enrolled	19,272
1. Boys	10,427
2. Girls	8,845
Average Attendance	11,627
Proportion of Population at School	1 in 5
Government Expenditure on Schools	$122,897
Supplement Paid Teachers by Trustees	17,066
Expended by Trustees for School Buildings	7,402
Contingent Expenses of School Boards	21,225

Average County Salaries.

	Prince.	Queen's.	King's.
1. Men—			
1st Class	$360 70	$394 65	$274 58
2nd Class	249 90	250 45	237 10
3rd Class	200 00	190 25	190 00
2. Women—			
1st Class	$219 13	$247 25	$216 85
2nd Class	201 50	200 00	185 17
3rd Class	162 60	163 03	141 37

Government Affairs and Conservative Policy in Manitoba

Mr. Roblin's Government made some interesting contributions to Canadian history during 1906; strengthened itself considerably with the people of the Province; and by its Telephone policy and its legislation as to floating the Union-Jack over the Schools of Manitoba attracted the attention of all Canada. Though not a political incident the appointment of Sir D. H. McMillan on May 11 to a second term as Lieutenant-Governor of Manitoba must be mentioned here. There were no changes in the composition of the Government although Opposition rumours as to the Hon. C. H. Campbell's retirement were frequent. They were denied as were similar stories regarding Hon. D. H. McFadden. It became pretty well understood, however, that if vacancies did occur at any time the most prominent probabilities for appointment would be J. H.

THE HON. SIR D. H. MCMILLAN, K.C.M.G.
Appointed Lieut.-Governor of Manitoba for a Second Term, 1906.

THE HON. JAMES DUNSMUIR.
Appointed Lieut.-Governor of British Columbia, 1906.

Howden of Neepawa, Hugh Armstrong of Portage la Prairie or Dr. S. W. McInnis of Brandon.*

Though of Dominion appointment and legislation the creation of a new Court of Appeal for Manitoba and the re-organization of the Court of the King's Bench were really important Provincial events. The Court of Appeal was announced on July 23rd as being composed of Mr. H. M. Howell, K.C., a well-known Liberal barrister of Winnipeg, as Chief Justice; Hon. A. E. Richards and Hon. W. E. Perdue from the old Court of King's Bench as two of the Puisne Judges; and Mr. F. H. Phippen, K.C., of Winnipeg, as the third. The Court of King's Bench was made up of Chief Justice Dubuc and Hon. T. G. Mather with Mr. D. A. Macdonald of Portage la Prairie as the new member. Several important deputations waited on the Government during the year. On Jan. 10th Mayor Fleming of Brandon and a number of members of the Executive of the Union of Manitoba Municipalities were received and presented a list of suggested amendments to the Municipal Act as having been approved at their last Convention. Careful consideration was promised. A Trades and Labour delegation on Jan. 29th asked for legislation compelling all cities and towns to pass by-laws regulating plumbers, street railways and stationary engineers—in the case of street railways providing for a centre aisle and one way of egress. The Premier practically promised his support and suggested the drawing up of a tentative Bill. To a deputation from the Municipalities of Winnipeg and St. Boniface on Dec. 10th, which asked for a grant of $125,000 toward building a bridge between the two cities, Hon. Mr. Rogers, Minister of Public Works, was able to promise the amount required.

A deputation from Russell on Jan. 31 asked for the extension of the C.N.R. from Rossburn through the town of Russell to a junction with the Edmonton main line. Mr. Wm. Mackenzie, who was present, intimated his willingness to proceed with the work at once if the Government would give the usual interest guarantees. Another deputation at this time from Longburn asked for a branch line from the C.N.R. at Oakland westward across the White Mud River and thence northerly through the district west of Lake Manitoba. The Premier and Mr. Mackenzie, who was present, seemed to consider the proposition favourably. Later in the year it was under construction.

Many public meetings were held during 1906 and those of a Conservative and Government character may be considered here. At a Young Men's Conservative gathering in Winnipeg on Jan. 8th Mr. E. J. O'Connor outlined, with Mr. Premier Roblin's subsequent approval, what he thought the party policy should be in Dominion affairs: (1) Preferential trade within the Empire; (2) public ownership of public utilities; (3) a vigorous transportation policy; (4) the elimination of political graft. A Pro-

* NOTE.—Early in the year Major W. J. Wright, of Brockville, Ont., was appointed Private Secretary to the Premier *vice* Mr. R. H. McDonald.

vincial Conservative Convention was held at Carberry on Jan. 25th with Hon. Hugh J. Macdonald in the chair and addresses from the Premier, Hon. J. H. Agnew, Mr. Sanford Evans and others. Resolutions were passed (1) urging that men guilty of deliberate offences against the ballot should be sent to the Penitentiary without option of a fine besides being disfranchised and deprived of any municipal or Government position; (2) pointing out the necessity of keeping the Judiciary free of party politics and of appointing Judges for merit only; (3) supporting the establishment, where practicable, of free rural mail delivery, the repeal of the Pension and Indemnity law, the public control of public utilities; (4) urging the need of a Railway to Hudson's Bay and a re-adjustment of financial relations with the Federal authorities. Mr. Macdonald was re-elected President and the Vice-Presidents were W. Sanford Evans of Winnipeg, E. S. C. Doran of Brandon and J. Harvey Black of Morden with W. T. Edgecombe of Winnipeg as Secretary.

Speaking at a Winnipeg meeting on May 22nd Hon. Mr. Roblin vigorously attacked the new Liberal leader—Mr. Edward Brown. In opposing the Government's Telephone policy he declared Mr. Brown to be insincere as he had, during the Brandon Municipal Convention of 1905, moved a Resolution of co-operation with the Provincial Government in the establishment of a system whose trunk lines should be constructed and operated by the Government upon terms satisfactory to the municipalities; and had followed this up with another motion in favour of Municipal ownership and operation of all public utilities such as waterworks, electric light, gas and telephones. At the same time he charged Mr. Brown with having obtained a charter at Ottawa for the organization of the North-West Telephone Company with headquarters at Winnipeg. Replying to financial criticisms he offered Mr. Brown the privilege of inspecting all the Government's books and of admission, if necessary, to the vaults of the Banks in order to verify the Government's statements; and answered his assertion that there was not now as much need of railways in the Province as formerly by daring him to say which, if any, of the proposed C.N.R. extensions he would oppose. As to the charge that the Government was being dragged at the heels of corporations it was, he declared, "the first to tax corporations and every bank and commercial institution in the Province now paid taxes. The Liberals exempted the Canadian Northern from taxation for thirty years and when the present Government opened up negotiations with that corporation the Government's first condition was the abrogation of that exemption."

At another meeting on May 30th Hon. C. H. Campbell made a long and fierce attack upon alleged Federal corruption in the Province and declared that the men who had committed what his party called the "thin red line outrage" in the elections of 1904 by which 2,100 electors were said to have been deprived of their

votes, had not only gone unpunished but been rewarded from Ottawa. "Mr. Leach is provided for, Mr. Ingram is provided for, Mr. Neighorn is provided for, and Mr. Ayotte is provided for, and last, but not least, one of those who was chief in the scheme is to be rewarded by holding the highest judicial office in the Province." He then dealt at length with Liberal attacks and Provincial policy. At another Winnipeg meeting on Oct. 25th Hon. J. H. Agnew, Provincial Treasurer, expressed great pride in the financial policy of the Government. Since coming into power it had created surpluses out of deficits, taxed railway and financial corporations, given a thrifty administration of the general finances, established an Agricultural College as a beginning to the important policy of encouraging technical education, improved school conditions and made the flying of the flag compulsory, presented public control of utilities in the matter of telephones as an active enterprise and practical benefit.

Addressing the Melita Conservatives on Nov. 27th Mr. Premier Roblin reviewed the policy of his Government. Besides the points mentioned above by Mr. Agnew a railway development was described under which 800 miles had been constructed with no subsidy or liability except a guarantee of Canadian Northern Railway bonds, with Government control over their rates, and as to the points to be connected. "Through the instrumentality of the Government, also, the rates on grain to the Lake ports from all points in Manitoba had been reduced 3 cents per hundred. When the Canadian Northern was being built the rates at competitive points were cut 4 cents and the Canadian Pacific had agreed with him to compromise on a cut of 3 cents all over the Province." They had also obtained reduced passenger rates for the people which could be added to the $1,300,000 which, in 1906, had been saved to the farmers by the reduction of rates on grain. He dealt also with the Boundary and Swamp land issues. At Killarney on Nov. 28th Hon. Robert Rogers denounced the Federal Government for "penalizing Manitoba." It was trying to restrict the boundaries and had cut Keewatin off; kept control of the Swamp lands and was sending survey parties into them and charging expenses to the Province; it was "bleeding the Province" through customs and excise to a total of $500,000. On Dec. 20, at Neepawa, the Premier reviewed at length the Liberal platform and the actual policy of his own party. He attacked the Dominion Government with vigour upon the Boundary issue. On the 28th, at Boissevain, he reviewed the Swamp lands case as follows:

> Under the settlement of 1885 it was agreed that the Province should appoint one man and the Dominion one who should be Surveyors and who should in the month of June decide what were swamp lands and the Government of the Dominion was to promptly transfer such to the Province. In twenty-one years what do we learn? We learn that they have examined in round figures four million of acres. They have declared that two million in round figures belong to the Province, but they have only transferred 1,280,000 acres. For this they deduct a huge sum out of

our subsidy without showing us the accounts, without consulting us as to the men employed, without consulting us about wages or the time those men should work. I say they have done this and in addition have defied the agreement whereby we were to have a representative and have employed only their own friends. They have kept out of the Subsidy without our leave or license, some $145,000 in round figures up to June 30, 1903.

Registration of voters for the elections which would take place in 1907 occurred at the end of May—the only significant incident being the issue of Government instructions interpreting the Act so as to enable an elector to register in some polling division of his constituency other than that of which he was a resident and leaving the Courts of Revision to prevent fraud or duplication. The Liberals criticized the action as allowing room for unqualified persons to register. A political incident of the year was the revival and discussion of the "thin red line scandal." The story was that, before the 1904 Dominion elections, the voting lists prepared by the Provincial officers were sent to the Dominion returning officers who then had, or claimed, the authority to arrange the list of polling places and assign to each elector the place where he should vote. It was alleged that in a number of cases the returning officers (Liberals) had conveyed these lists, after revision as above, to Winnipeg where they were received by Mr. R. E. A. Leach, then Liberal Organizer for the Province. In his office or by party officials, it was claimed, the lists were carved up, hundreds of Conservative voters marked out with a red line and the official printing and subsequent distribution then carried out.* A further Conservative contention in the matter was indicated by the Hon. Mr. Rogers' statement that, after examination of the "red line" lists, he found 9,399 electors to have been disfranchised and at least four seats transferred to the Liberal column.

The matter was frequently referred to in the Legislature and in May an inquiry was instituted through the House of Commons Election Law Committee into the elections in Selkirk and Provencher—two of the constituencies concerned. Mr. W. H. H. Knott, a Conservative lawyer (May 4), told the story as above narrated and Mr. H. M. Howell, K.C., then described the Provincial lists as inadequate, the Manitoba Election Act as inefficient, the printing methods poor, and the list itself to have been changed by the Provincial King's Printer. Mr. James Hooper, the official in question, at once published a sworn denial and indicated what he thought were gross inaccuracies in Mr. Howell's evidence. The Conservative press published photographs of some of the "red line" lists with the erasures clearly marked and the Winnipeg *Telegram* (May 22) criticized Mr. Howell severely for giving alleged partisan evidence while holding the promise of a Chief Justiceship in his pocket; for trying to cover up the tracks of culprits instead of insisting upon the punishment of wrong-doing;

* NOTE.—See also record of Legislative Proceedings in this Volume.

for adding to the discredit which, in Conservative eyes, was now said to attach to judicial appointments and judgments in many of the Provinces. The *Free Press* responded (May 23) by declaring this attack upon Mr. Howell to be caused by the latter having "crumpled up" the preceding prosecutions of Liberal officials in the Courts and claimed that, in the Provincial elections of 1903, the same right or privilege of changing the polling divisions had been exercised by the Provincial returning officers. It went on as follows:

> Once the right of the Dominion Returning Officers, either by law or by a custom sanctioned by the Attorney-General, to change the polls is admitted, the whole elaborate case built up against the Liberal officials by the Attorney-General and the Conservative lawyers he called to his assistance collapses in hopeless ruin. To change the polls meant to change the lists; and in the re-arrangement of the fifty or sixty thousand names the misplacing of a few names, or even the dropping of a few, is not a cause for wonder. It would be miraculous if there were not such errors. We doubt, however, whether there were fifty such cases in the whole Province. The *Telegram* trots out for the fiftieth time the diagram showing the 41 names struck from the Beausejour list, though it knows perfectly well that most of the persons "disfranchised" at Beausejour were on the list at Cromwell poll seven miles to the north and voted there, the other "disfranchised" electors being allowed to vote at Beausejour upon the Deputy Returning Officer satisfying himself that there had been a mistake.

On Oct. 22nd decision was given in the Manitoba Court of Appeal —Chief Justice Howell and Justices Richards, Perdue and Phippen being present and the judgment rendered by Judges Richards and Phippen—reversing the decision of the Court of King's Bench in November, 1905, when Mr. Justice Perdue dealt with the "red line" charges against Lawrence Duggan, returning officer of Selkirk in 1904 and one of the various officials charged with having erased or accepted the erasure of names in his voting lists. In the original case the Judge had directed the Jury to give a verdict of "not guilty" and Duggan had been discharged. Now, the Court of Appeal decided, in effect, that the existing Provincial polling divisions in 1904 were the legal ones, that no official had the power to change them or to tamper with the lists, that any other condition would open wide the door to unscrupulous manipulations, that the verdict of the lower Court must be set aside and the accused stand a new trial. Conservatives were, of course, greatly pleased at this decision.

An important matter of Government policy in 1906 was the encouragement of Agriculture. In the Legislature on Mar. 15th, a lengthy Resolution was passed criticizing the statements contained in Professor Mavor's Report to the British Board of Trade and declaring his information as to climate, soil, arable areas and actual agricultural conditions in Manitoba and the West to be misleading and to, in particular, misrepresent the wheat possibilities. On Feb. 6th, in this connection, an elaborate statement and analysis of the Report had been presented to the Winnipeg Board of

Trade by a Committee composed of Messrs. Sanford Evans, John Love, and C. N. Bell (*Telegram,* May 2). Speaking at Minnedosa on May 1st the Hon. Mr. Roblin denounced the Mavor Report as a libel and declared that Manitoba had at least 25,000,000 acres of arable land instead of the 5,900,000 acres estimated; referred to the establishment of the Agricultural College at Winnipeg and said that it was the farmers who chiefly produced the wealth of the country; declared that more live stock and poultry should be raised by them and expressed the hope that rural telephones, provided through his Government's policy, would be followed by still greater comforts for the farmer. At a Farmers' Convention in Winnipeg on Feb. 15th the Premier further expressed himself as follows:

> We have in this city magnificent blocks, we have great piles, as they are sometimes described, in the form of warehouses, banking institutions, and various buildings of that kind, in which hundreds if not thousands are employed, and in which large sums of money are turned over from day to day, and yet I challenge any man to prove, or even assert with any degree of authority or knowledge, that any banking institution, any wholesale house, or any departmental store, no matter how large, ever added one new dollar to the wealth of the realm; but the farmer who tills the soil and sells one bushel of wheat or grows a bullock for the market adds to the wealth of the nation. Therefore, it is to the sturdy husbandmen of this country that we look for that development and that progress that we aspire to in making Manitoba one of the most important, if not the most important, Province in Canada as far as agriculture is concerned.

On Nov. 6th the new Manitoba Agricultural College at Winnipeg, costing over $250,000, was opened by Lieut.-Governor Sir D. H. McMillan with telegraphed congratulations from the Governor-General and addresses by the Provincial Premier and others. It started with 68 students upon the register and 90 applications in hand. The Advisory Board was composed of Hon. R. P. Roblin, Minister of Agriculture; H. M. Dyer of Minnedosa, Walter James of Rosser, P. Smith of Indianford and E. A. C. Hosmer of Virden, elected by Agricultural Societies; J. A. M. Aikins, K.C., and Rev. Dr. Patrick, elected by the University of Manitoba; with C. G. Caron of St. Charles, Alex. Morrison of Carman and Walter Lynch of Westbourne (Chairman), appointed by the Manitoba Government. The staff of professors included Principal W. J. Black, B.S.A., Animal Husbandry; W. J. Carson, B.S.A., Dairy Husbandry; W. J. Rutherford, B.S.A., Agriculture; F. Torrance, Veterinary Science; F. W. Broderick, B.S.A., Horticulture, and G. A. Sproule, B.A., English and Mathematics. Meanwhile, in the latter part of the year, preparations began to be made in both parties for the elections of 1907. In Saskatchewan Riding, William Ferguson, ex-M.L.A., was nominated by the Conservatives on July 9 and in Minnedosa W. B. Waddell was re-nominated on August 3rd. A. Prefontaine, M.L.A., in Carillon, Isaac Riley in Stonewall, George Steel, M.L.A., in South Cypress, J. H. Howden, M.L.A., in Beautiful Plains, A. M. Lyle in Arthur, Geo. Lawrence,

M.L.A., in Killarney, Hon. James Johnson, M.L.A., in Turtle Mountain, were all formally placed before the constituencies named as Government candidates in December and, by the beginning of the new year, the campaign was fairly under way.

Leader and Policy of Manitoba Liberalism

An important political event of the year was the selection of a Leader for the Provincial Liberal party. Since Mr. Thomas Greenway's retirement from Provincial politics in 1904 Mr. Charles J. Mickle, a member of the Legislature since 1888 and a member of the Greenway Government for some years, had been acting-Leader in the House. Early in 1906 it was, apparently, felt that a permanent choice covering the Province as well as the future Legislature should be made and a Convention was called in Winnipeg for Mar. 28, to deal with that question and to organize the party for elections which could not be more than a year away. What was described as the pith and pick of Manitoba Liberalism assembled on the 26th and at a preliminary organization meeting, presided over by Mr. Edward Brown, Mayor of Portage la Prairie, and Chairman of the Provincial Liberal Executive, a number of inspiring addresses were delivered—notably by Hon. J. D. Cameron of the late Greenway Government, L. H. Fournier, President of the French Liberal Association of Winnipeg, Isaac Pitblado, President of the Winnipeg Liberal Association, Isaac Campbell, K.C., J. W. Dafoe of the Manitoba *Free Press,* Professor W. F. Osborne, M.A., and the Hon. C. J. Mickle.

Some 500 delegates were present at the Convention and, on Mar. 27th, it proceeded to work, with all parts of the Province represented. Mayor J. W. Fleming of Brandon was elected Permanent Chairman and, after a brief address, was followed by Mr. Horace Chevrier, M.L.A., who attacked the Roblin Government in very strong language as having introduced an " era of pillage and plunder " and as being " neither in genius, nor knowledge, nor ability, nor common honesty " like the men it had deposed. Power and perquisites were declared to be the sole Conservative principle. Mr. Edward Brown, the prospective leader, succeeded him in an elaborate presentation of the party position and point of view. He asked special consideration in the coming platform for the farmers and declared them to be bearing a larger portion of the tariff burden than any other part of the community. The Dominion tariff in certain directions should be lowered, the Grain Dealers' alleged combine should be investigated, and the alleged meat combine inquired into by the Provincial Government; while the Dominion Government should be asked to press the removal of the cattle embargo upon the Imperial authorities.

In the matter of public ownership of utilities Mr. Brown declared himself an advocate of the general principle; criticized the Roblin Government for an alleged breaking of pledges in the non-application of the principle to railways; charged the Government with sacrificing municipal interests for those of the Canadian

Northern Railway; alleged its present Telephone policy to be simply a vote-catching proposal and not a sincere effort at the establishment of public or municipal ownership; deprecated the expenditure of so large a sum as $2,000,000 upon a preliminary system which was confined to the Cities of Winnipeg, Brandon and Portage la Prairie; declared that the Liberals had a counter proposition of a more satisfactory character but one which it was not yet wise to make public; proclaimed the main policy of his party to be the supply of the rural districts rather than the cities with the Telephone.

In the matter of finances he charged the Government with great ingenuity in book-keeping and claimed that it had started by borrowing $500,000 to pay $248,000 of the Greenway Government deficits with; defined the indirect Provincial (C.N.R.) liabilities of $16,000,000 as resembling the case of a man who endorsed a large note which he was aware he could not meet at maturity if called upon to do so; declared the cost of running the Government machinery to have increased $2,000,000 in five years over the same period under the Greenway *régime;* and summed up various detailed calculations with the assertion that instead of supposed yearly surpluses the Province was poorer by $2,200,000 than when the Roblin Government took office. The contract with the Canadian Northern Railway was vigorously denounced and the service was said to be an unsatisfactory one. The Provincial guarantees would be discontinued if the Liberals were returned to office. He supported a Hudson's Bay Railway to be constructed and owned by the Dominion Government and urged that more Government aid be given the University of Manitoba. He declared himself in favour of Local Option being carried by a simple majority and as wanting to see the Liberal party in the Province identified with the Temperance party. To this end women should have the right to vote and license commissioners be men of a higher character. He denounced the Government as tied to the corporations and proclaimed Liberalism to be free from such influences; advocated clean elections and denounced existing corruption in both parties. The following is a condensation of the series of long Resolutions which were presented to the Convention and passed after speeches and more or less deliberation:

1. That Public Lands should not be sold to speculators by private sale, but to actual settlers at reasonable prices and the receipts from what were known as the Swamp Lands should be set aside to meet the bonds maturing in 1910.

2. That in view of its importance to Western Canada the early construction of the Hudson's Bay Railway should be undertaken by the Dominion Government as a national work under conditions making it an "open railway highway to the sea for all time."

3. That a policy of publicity was to the advantage of the people and that all Government transactions in public lands, contracts, debentures, sales, etc., should be recorded in the Manitoba *Gazette* as soon after the event as practicable.

4. That the area of the Province should be increased so as "to in-

clude that part of the present Territory of Keewatin lying between the Northern boundary of Manitoba and Hudson's Bay," and that the financial arrangements of the Province with Ottawa should be placed on the same basis as those of Alberta and Saskatchewan.

5. That the traditional Liberal policy of basing the rate of customs taxation "solely on the revenue requirements of the country" should be maintained and resolute opposition be offered to any proposal for an increase in the tariff; that the tendency of any changes made should be towards lower duties on lumber, machinery, fruit and clothing, in particular; that the British preference of 33⅓ per cent. should be maintained in its entirety.

6. That Provincial expenditure was excessive and could be reduced by the application of business methods to the administration of affairs.

7. That the Liberal party was in cordial sympathy with the Temperance movement as a moral reform and pledged itself, if returned to power, to rigidly enforce the provisions of the law as to the Liquor traffic and to carry out (1) the enactment or repeal of Local Option by-laws upon the majority of the votes cast; (2) the restoration of the Municipal Franchise to married women; (3) the appointment of License Commissioners and inspectors in sympathy with the enforcement of the law; (4) the issue of licenses only once a year and the submission of Local Option by-laws to Municipal Councils upon petition of 25 per cent. of the resident electors.

8. That Education should be placed in charge of a Departmental Minister of Education.

9. That a separate Portfolio should be allotted to Agriculture and more attention devoted to the development of its varied interests and organizations; that this new Department should include a Commercial Intelligence Branch.

10. That a definite policy in regard to good roads should be evolved; that a reasonable portion of the taxes derived from Railway companies should be distributed to the municipalities; that the voters' lists be prepared specially for each election and be based on a list of resident ratepayers prepared by municipal authorities and supplemented by personal registration.

11. That emphatic disapproval be expressed of the wholesale guaranteeing of Railway bonds.

12. That a fair wage clause should be inserted in all Provincial Government contracts, the Factories Act be rigidly enforced, and amendments be made to the Workmen's Compensation Act extending remedies and facilitating trials.

13. That the public should control "all public utilities such as waterworks, lighting and telephone schemes" and that such a possibility should be provided for in all grants of public franchises and charters.

14. That alleged combines and associations in restraint of trade should be subject to searching investigation with prosecution and punishment when found to exist.

15. That a vigorous publicity, immigration and colonization policy should be inaugurated.

16. That the ten years' record of the Dominion Liberal Administration deserved commendation and, in particular, the energetic and statesmanlike policy along immigration and transportation lines which had proved so great a factor in the development of Western Canada.

During the progress of the Convention many speeches were made and various private members took a prominent part in the proceedings. Amongst them were T. H. Johnson of Winnipeg, W. B. Henders of Culross, J. G. Rattray of Virden, T. C. Norris of Griswold, J. A. Campbell of Dauphin, A. C. Fraser of Brandon, M. B. Jackson of Hamiota, and Prof. W. F. Osborne of Winnipeg. On the last day of the Convention the 523 delegates

proceeded to elect a Provincial Leader. The Hon. C. J. Mickle, in presenting the name of Edward Brown of Portage la Prairie made no reference to his own position in the Legislature but eulogized Mr. Brown's capabilities and promised every measure of support which he could himself render. Mr. Horace Chevrier, M.L.A., seconded the proposal and paid tribute to Mr. Mickle's Legislative services to the party. He and Mr. Isaac Campbell, who followed, described Mr. Brown as well worthy of Liberal loyalty and admiration. The nomination was carried unanimously and duly accepted. The new Leader had no experience in politics, although he was a power in the municipal affairs of Portage la Prairie; was a native of Bruce County, Ont., and 40 years of age; and had a high reputation as a successful man of business and excellent speaker. The Convention concluded with a Resolution in appreciation of Mr. Mickle's services and of thanks to the C.P.R. and C.N.R. for arranging so successfully the distribution of seed grain to the farmers. Mr. Brown at once took up the work of speaking and organization. He was at Elkhorn on May 23rd and elaborated many of the details sketched in his Convention speech. Regarding the Premier's statement that he was a shareholder in a Telephone Company he said: "It is true that my name was connected with the application for a charter for the Northwest Telephone Company two years ago. It is true that at the request of the Solicitor of the Company I lent my name for the purpose of securing a charter because I thought it might be a good thing for the people of the Province to have some competition with the Bell Company, but I had no more interest in the Company than any of you present." Speaking at Carman on June 21st he attacked the Temperance record of the Government at length and devoted considerable attention also to financial affairs. His method of "hitting back" in a personal sense may be seen in the following extract:

> The Premier has recently referred to me as a kindergarten politician. I do not resent the term as I do not profess to be a politician but merely a citizen of the Province having a deep interest in its affairs; asking nothing at the hands of the public save an opportunity for service by an expression of confidence; seeking no reward save that which comes to every man from a sense of dufy performed. In this connection, however, I would like to say to the Premier that an honest and economical administration of its affairs by business men is all this Province requires. We can well afford to dispense with the services of men who have had experience in playing the political game and who play it merely for the loaves and the fishes. Further, let me say that if, after I have been identified with political life as long as the Premier has, I have then as little to my credit from the standpoint of political integrity and statesmanship, I will conclude that my life has been largely a failure.

The new Leader was at Dominion City on July 14; at Baldur on Aug. 10; at Elmwood on Dec. 6. On Nov. 1st Mr. Brown was the guest at a banquet of the French-Canadian citizens of St. Boniface and Winnipeg and no part of his speech was better received than the declaration that "nowhere in the British Empire can there

be found hearts more loyal and true to the British Crown than are found right here in the Canadian West." At a Winnipeg meeting on Nov. 13th he declared that the city should have more representation in the Government and at least five members in the House; that by firmness and diplomacy Manitoba would obtain the boundary she was entitled to; that if the Dominion Government would not take up the Hudson's Bay Railway the Liberals of Manitoba, with the Governments of Saskatchewan and Alberta, would do so; that 18 out of 40 constituencies in the Province would be vitally affected in the coming elections by the proposed C.N.R. extensions; that some of these extensions could be built without a dollar of Government aid or guarantee. Meanwhile Liberal nominations for the next election had been going on. As early as July 14 George Walton was nominated for Emerson; on July 17, G. W. Pearson was chosen for Minnedosa; on Aug. 6, M. B. Jackson was selected for Hamiota and on Aug. 10, J. B. Baird for Mountain. Amongst other Liberal candidates chosen up to the close of the year were D. A. Ross for Springfield, William Walker for Norfolk, William Lyall for Cypress, and John Williams for Arthur.

Proceedings and Policy of the Manitoba Legislature

The 3rd Session of the eleventh Legislature of Manitoba was opened on Jan. 11th by Lieut.-Governor Sir D. H. McMillan, in a Speech from the Throne which gave a general view of the Government policy and intentions. The farming community was congratulated upon the quantity and quality of the grain produced in the past year; pleasure was expressed at the recent visit of the Governor-General and Countess Grey; reference was made to the Memorial recently presented to His Excellency regarding the enlargement of the boundaries of the Province and regret expressed that the Dominion Government had taken no satisfactory action in the matter; continued disappointment was expressed at the non-settlement of the Swamp lands question. The Speech then went on to say that in the opinion of his Government the time had arrived when the control and administration of the lands held by the Federal authorities for School purposes in Manitoba, and the funds derived from sales in that respect, should be handed over to and absolutely vested in the Province; and that there should be a re-arrangement of the financial relationship existing between the Provinces and the Dominion. Legislation was promised in the further taxation of corporations and railways; for the inspection of companies and incorporated organizations; in the operation of Telephone lines; for the amendment of the License Act so as to restrict the Winnipeg License area; for the amendment of the Election Act by imposing heavy penalties upon the mutilation of electoral lists.

The Address in reply was moved by Mr. George Lawrence and seconded by Dr. H. E. Hicks and they were followed by the Opposition Leader in the Legislature (Mr. C. J. Mickle) and by the

Premier. The former deprecated continuous fault-finding with regard to the Dominion Government and, especially so, when it was being asked to do various things for the Province; urged the amendment of the Seed Grain Act so as to recompense farmers whose crop was cut down because of the growth of noxious weeds, and to enact stringent measures compelling municipalities to keep weeds off the highways; drew attention to the numerous press complaints as to the manner in which Liquor licenses were granted and, while not believing the country ready for Prohibition thought Local Option votes should be facilitated; expressed himself as favourable to the principle of public ownership of Telephones. Hon. Mr. Roblin in his reply dealt briefly with the Federal issues of boundary, school lands, swamp lands, etc. As to the latter he said the Province had not received an acre during 1905 although 16,000 acres had been formally stated as ready for transfer. In a general sense he summed up the situation as follows: "Manitoba, they say, is only equal to a small postage stamp on the map. Our areas are circumscribed, our revenues curtailed and the rights which other Provinces enjoy are withheld from us. We are not to-day a full Province of the Confederation of Canada as we have a right to expect under the British North America Act."

Mr. Horace Chevrier, on Jan. 17th, took the Opposition ground that "violation of its pledges by the Provincial Government, with deliberate mis-statements of fact, were at least some warrant for the Dominion Government not hastening to accede to all the demands made." Mr. W. Lagimodière claimed the management of the Provincial swamp lands to be a public scandal and declared that wherever the Dominion authorities had unknowingly used swamp lands for homestead purposes they had offered the Provincial Government full compensation in other lands. In the former connection he charged that a certain 6,400 acreage had been sold for $2.40 or $16,300 and afterwards re-sold to a Company for $209,320. An angry debate took place between this member and the Premier over the attempted quotation of official correspondence which Mr. Roblin declared must have been obtained from the Interior Department at Ottawa. The Address passed on the 18th without division. On the following day the Premier challenged Mr. Lagimodière to follow up his statements about land sales by a formal motion or charge so that it could be investigated. The latter said he would justify himself at another time. Meanwhile the *Free Press* had taken up the allegation and laid much stress upon what it called the Gerrie deal.

On Jan. 30 Mr. Roblin went into the matter fully in a speech containing many official documents, special letters and other data. He showed that the Provincial land in the townships in question had been inspected in 1901 and sold upon the Inspector's valuation at prices ranging from $2.00 to $3.50 per acre and none of it at less than his valuation. In 1904, 6,841 acres (the land referred to by Mr. Lagimodière) were sold to Robert Ridd at $2.60 per

acre and six weeks afterwards they were assigned to Charles Gerrie on a quit claim and stood in his name to-day. The Prospectus quoted from by Mr. Lagimodière was that and nothing more and no sale such as was charged had ever been made. There was no further discussion of the matter then but on Feb. 2 Mr. Lagimodière denied ever having charged anyone with making the profits indicated. He did claim that a Company really existed, however, and had bought the land at $10 per acre. He did not, however, deny that the land still stood in Gerrie's name with only a one-time agreement to sell (afterwards cancelled) recorded against it.

In connection with a Bill to incorporate the Freehold Fire Insurance Company, on Feb. 1st, the House in Committee inserted a clause over the Attorney-General's objection, providing that no stock should be issued to any person in consideration of his allowing the use of his name as a Director. This specific legislation was opposed by the Hon. Mr. Campbell as being too restricted. "He thoroughly agreed with the principle but thought it could be better dealt with in a general bill governing all such companies, and that the House would agree with him that it would be more desirable that the general provision should be applicable to all and not introduced in any particular bill. The recommendation was one that should be embodied in general legislation. There certainly should not be any shares given to a person for the use of his name, nor should he be able to qualify as a member of a company on shares given for that purpose." He promised Government legislation of a general character but the House did not want to defer its blow at "guinea pigs" and the new clause stood. A Resolution was presented to the House on Feb. 7th by Mr. Lagimodière declaring that in no case should the Government sell more than 640 acres of Crown lands to any one individual; that all Provincial lands suitable for farming purposes should be kept for and sold to actual settlers only; that all such purchasers should be compelled to perform homestead duties with a reasonable rebate from the purchase price. Mr. Premier Roblin described the motion as one of want of confidence in his Government; pointed out that nearly all the swamp lands handed over by the Dominion Government were submerged and useless for settlement until drained at considerable expense to purchasers; that, therefore, the sale of these lands in blocks, in open market and after due advertisement, was the proper policy to pursue. The Resolution was defeated by 27 votes to 7.

A somewhat remarkable speech was delivered by Hon. Mr. Rogers, Minister of Public Works, on Feb. 23rd, in reply to criticisms of an increase in the expenses of the Attorney-General's Department. He declared this to be due to the useless efforts of the Government to punish electoral wrong-doing—efforts which he alleged had been checked by the decisions of the Bench. He went on to recite the particulars of Mr. Justice Perdue's action

in the " red line case," and practically charged him with partisanship; referred to other Judges in the Dominion as disobeying the law regarding the holding of directorates, etc.; criticized the Ontario Commissioners in the Gamey case; attacked recent decisions in the Regina and Prince Albert election cases and concluded with this comment: " It will only be necessary to have a few more election trials such as I have described when the Judiciary of this country will indeed occupy the unfavourable position of being despised by the dogs and the crows of this country." Such an attack naturally evoked keen criticism. It was endorsed by the Prime Minister and by the Winnipeg *Telegram,* which described the speech as a public service, and even went so far as to hint at the advantages of an elective judicial system in view of existing Canadian conditions. The Eastern press, in many cases, resented the utterance as too vehement although strong party papers such as the Toronto *Mail and Empire* in the following comment, supported the view taken: " The judgments in these various cases are not such as to be conducive to the public interest. That they are founded upon good law surely cannot be maintained. That they should call for comment is no matter of surprise. It would be astonishing if, in a free country, they were allowed to pass without remark. The trend of these decisions is in the wrong direction. In one case the rascal who mutilates the voters' lists gets off. In another the fraudulent ballots are counted. In the others the trial of election petitions is averted." Moderate or non-partisan comments regretted the fierceness of this denunciation although an independent paper such as the Toronto *News* thought there was cause for dissatisfaction and distrust.

A matter considerably discussed was the Attorney-General's Bill providing that no girl should be allowed to marry under 18 years of age without the consent of a parent or guardian. It was aimed chiefly at the customs of foreign immigrants of a certain type. The objection against it was mainly the feeling that 14 was too young an age to legalize in the Province. The marriageable limit was afterwards raised to sixteen. In the House on Feb. 1 Hon. Mr. Campbell pointed out that there was at present no age limit in Manitoba but that in the rest of Canada and in England 14 was the legal age. The Premier said he would vote for 15 as a compromise though he was in favour of uniformity in these matters amongst the Provinces. The Canadian Northern legislation of the Session gave that Railway a Government guarantee of bonds for $10,000 per mile on branch lines running, in all, about 110 miles and starting from the stations at Deloraine, Oakland and Oak Point, respectively. On Feb. 26th the " red line " election charges as to Dominion officers tampering with the Manitoba lists in the 1904 elections were brought up in the House and Mr. Chevrier gave the following Liberal explanation: " Those lists were not voters' lists, that is, Dominion voters' lists. They were lists of names of electors registered in each of the registration dis-

tricts delimited by the Provincial Government. Those lists, it is true, were certified to as being a list of electors for the Provincial constituencies by the Board of Registration, but for the purposes of the Dominion List they were nothing more than a list of names of persons, indicating also their residences, from which the Dominion lists of electors were to be compiled. The duty of the Dominion officials was to see that the list of names so furnished was properly divided up, according to the Dominion constituencies, placing the name of each person in accordance with his residence, in the proper Dominion constituency. The contention that these lists were sacred and inviolate; that to mutilate or alter or arrange them was a crime; is utterly ridiculous. How, except by re-arrangement, was the evil of double voting to be prevented? Those lists were simply raw material from which the Dominion electors' lists were to be compiled." Two days later the Premier offered some specific data in the matter and referred to the polling division of Miami in Dufferin as one of those wherein the names of voters had been crossed off the lists. He mentioned a number of names and went on as follows:

> All these were entitled to vote and some of them had been on the list for twenty years or more, but when they presented themselves at the polling booth they found that the thin red line had been drawn through their names and they could not vote. The list for this polling sub-division had been divided and another polling place made in the next township, and some of the gentlemen he had mentioned went there, but without being allowed to vote. The same thing happened at Poplar Point, Rosebank, and other places. The House, he believed, was alive to the importance and sacredness of the franchise and he had therefore brought the matter to the highest Court of the Province from which there was no appeal, and where he hoped there would be no attempt to resort to technicalities in order to prevent the punishment of the men who had done wrong. He wanted the Leader of the Opposition to either say, as the representative of the Liberal party, that a wrong had been committed, or, if he doubted the facts, to move for a Committee of Inquiry into the cases he had mentioned. The Hon. gentleman could name his own Committee and the Government would pay all expenses, including the payment of counsel and bring before the Committee all papers relating to the matter and all parties, returning officers, deputy returning officers, and voters concerned.

The challenge was not accepted upon the ground that the Legislature was too essentially a partisan body to decide such a question. It was also asked why the Government did not itself appoint such a Committee? On Mar. 10, in connection with some slight amendment to the Act respecting a Sanitarium for Consumptives, Mr. S. W. McInnis made an able and elaborate appeal for the establishment of a Provincial Sanitarium and offered to himself raise $25,000 for the purpose if the Municipalities of the Province would contribute another $25,000. He stated that 9,000 people had died of the disease in Canada in the past year and described the success of the Gravenhurst Institution in Ontario. Mr. Chevrier and others cordially endorsed the views presented. Meanwhile, the *Free Press,* which had contained frequent articles attack-

ing the Lands policy of the Government, on Mar. 13 published an elaborate review of various alleged sales of land and conditions surrounding the transactions. There were no direct charges made but the completed picture was clever and certainly not flattering to the Government. Mr. Hugh Armstrong, who had been referred to in the article, took up the matter in the House on Mar. 15th and gave a sweeping and indignant denial. " It is difficult to reply to insinuations," said Mr. Armstrong, " but I want to say that I have never, in my private capacity as an acquaintance or friend of the Provincial Lands Commissioner, or as a member of the local Legislature, approached that gentleman either on my own behalf, or on behalf of an associate of mine, for the purpose of purchasing, or having a price on Provincial lands which was less than the price asked by the Commissioner of Lands. I never did this either for myself directly, or indirectly, or on behalf of anyone else." He described the policy of the *Free Press* as one of insinuation and innuendo, of " the midnight assassin who stabs in the dark " and was joined by the Premier with an equally vigorous attack upon the same paper.

A Government measure introduced by Hon. Robert Rogers was intended to restrict liquor selling in various ways. It included the following main provisions or amendments to the existing law: (1) the retail sale of liquor in Winnipeg to be confined to closely defined business districts; (2) no further wholesale licenses north of the C.P.R. track; (3) brewers' annual license fee raised to $500; (4) not more than six ounces of alcohol to be sold for medicinal use, and then only on Doctor's order; (5) pool and billiard rooms to close at 11 o'clock on every week night except Saturday, when they would close at 8.30 and boys under eighteen to be excluded from such rooms under penalty of fine or imprisonment; (6) persons found in bars or pool-rooms during prohibited hours to be liable to fine or imprisonment. Speaking to his proposals on Mch. 13th Mr. Rogers referred to the varied delegations received, the contradictory or impossible Temperance proposals which had come before the Government, and the " distempered condition " of some of the criticism to which its policy was subjected from time to time. As to this he gave the following interesting comparative figures:

> Take Winnipeg and the older parts of Canada, and what do we find? Here we have a population of 100,000 with 60 licenses, or one for each 1,660 people; in Montreal 300,000 people and 656 licenses, or one for each 458 people ; in Toronto 225,000 people and 150 licenses or one for each 1,500 people ; in Hamilton 60,000 people and 75 licenses, or one for each 811 people ; in London 40,000 people and 35 licenses, or one for each 1,143 people ; in Ottawa 75,000 people and 65 licenses, or one for each 1,100. In wholesale licenses Winnipeg still stands at the head of the list with 20, or one for each 5,000 people ; Montreal has 629, or one for each 480 ; Toronto 58, or one for each 3,880 ; Hamilton 21, or one for each 2,862 ; and Ottawa 36, or one for each 2,080. Take the Province as a whole with the licenses in other Provinces and you have the same condition. In Manitoba there are 254 licenses all told, giving according to

population one for each 1,280 people. Ontario has 2,968 licenses, or one for each 473, and Quebec has 3,088, or one for each 648. We have, therefore, good reason to be proud of Manitoba, standing as it does, at the head of the list in this important respect.

In this legislation, he added, they had acceded to many of the requests made and hoped, in particular, that good would result from the segregation of the traffic and the bringing of the brewers under the operation of the Act. On the 14th Rev. Dr. C. W. Gordon and Rev. C. MacKinnon, representing the Presbytery of Winnipeg, waited upon the Legislative Committee having the Bill in charge and spoke appreciatingly of its valuable concessions to Temperance sentiment while at the same time asking for a couple of further amendments in the matter of licenses. Mr. Rogers promised one of the requests but could not at once see his way regarding the other. In connection with the question of segregation a dispute arose as to the Government's interest and policy in the extension of this legislation to a district named Elmwood which came into Winnipeg after the Bill had become law. It turned out that 98·28 per cent. of the new area was actually clear of licenses but a pronounced political and prohibition attack had, meantime, been made upon the Government which culminated in remarks by Rev. J. W. Saunby, retiring President of the Methodist Conference of the Province, to the following effect: "Looking to the problems of the future they had to face a corrupt Government. He had heard young Conservatives say they would not cast another vote for the present Government on account of its alliance with the liquor traffic." On June 14, the new President, Rev. J. H. Morgan, endorsed this view and a Conference Resolution approved Mr. Saunby's statement. The *Telegram* and the Conservative papers took these statements as purely political and demanded proofs, which were not forthcoming, of "corruption" or License mal-administration on the part of the Government.

In connection with amendments to the Municipal Act it appeared that married women were not to be allowed the right to vote in municipal affairs on property owned by themselves and Mr. J. H. Howden (Mch. 13) strongly opposed this condition although recognizing that abuses had crept into the exercise of the franchise by both husband and wife. The Government maintained its position, however, and the clause stood. On the last day of the Session Mr. Lagimodière tried to pass a Resolution declaring that the Government of Manitoba should take measures to bring about "a thorough investigation of the unfortunate conditions surrounding the beef-cattle industry of the Province." This reference to the alleged "beef trust" was talked out after a vigorous denial of the existence of a combine from Mr. J. T. Gordon, the well-known cattle man. An incident of the Session was the unanimous approval of estimates providing $200 more indemnity for each of the members. Resolutions were passed by the Legislature (1) approving a Memorial to the Governor-General-in-Council asking

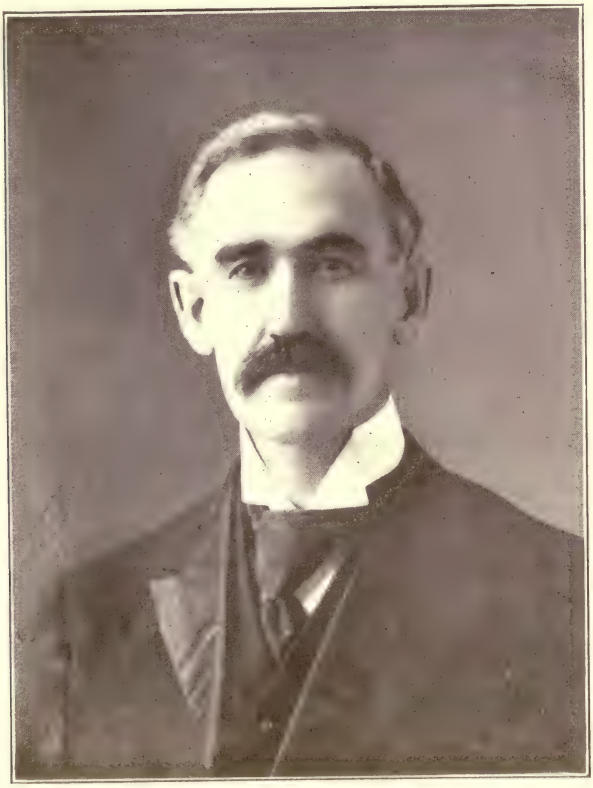
for the appointment of a Commissioner from Manitoba to join those already authorized by the United States Congress from the States of Minnesota and South Dakota, in dealing with the question of preventing the overflow, and consequent injury to agricultural interests along the banks, of the Red River; (2) affirming it to be in the public interest that the School lands and the funds derived therefrom should be transferred from the Dominion Government to the Province; endorsing the financial declarations of the Inter-Provincial Conference of 1902 and asking, without prejudice to other claims of the Province against the Dominion, that early consideration be given the matter; calling upon the Dominion to transfer to the Province the Swamp lands to which it had so long been entitled.

Legislation was passed of important and wide-reaching character. Besides the Telephone and Temperance matters which are treated elsewhere taxation was re-adjusted upon financial corporations doing business in the Province and it was expected to bring in $200,000 a year; the regulation of noxious weeds was dealt with and it was provided that Inspectors appointed by the Municipalities should have the duty of destroying such weeds upon highways, roads and vacant lands, and have authority to compel the destruction of weeds growing upon land under crop, together with powers of prosecution and penalties for conviction; the amended Election law imposed a penalty ranging from one to five years' imprisonment for "plugging" votes or the personation of voters; an effort was made to simplify electoral registration, the districts were made smaller and increased opportunity was given to the elector to get his name on the voters' list. The Legislature also approved the view of its Private Bills Committee that the Province had power under the B.N.A. Act to give companies the right to carry on business outside as well as within the Province. Prorogation took place on March 16th after the passage of nearly 100 Bills.

Public Ownership and Control of Telephones in Manitoba

The question of the year in Manitoba was that of public ownership as applied to Telephones. Political and municipal discussions alike centred around the subject. Petitions were largely signed and presented to the Legislature asking for Government ownership and operation. The views of several leading members of the Government were well known to be personally favourable at the end of 1905 and the policy of the Government had, in fact, been announced as one of ultimate control of the Telephone in some, as yet, undefined form. On Jan. 29th the Attorney-General moved in the Legislature the appointment of a Select Committee composed of Hon. C. J. Mickle (Opposition Leader), J. H. Howden, S. W. McInnis, T. W. Taylor, David Wilson, Hugh Armstrong, W. J. Doig, Hon. C. H. Campbell, and Hon. J. H. Agnew (2 Liberals and 7 Conservatives) to inquire into and report "regarding the vari-

Manitoba College of Agriculture; Opened at Winnipeg, in 1906.



Mr. Edward Brown.
Elected Leader of the Liberal Party in Manitoba, 1906.

ous Telephone systems in operation in Manitoba and elsewhere, the cost thereof and the expense incidental to the maintenance and operation thereof, as the Committee shall determine, and to consider and report what changes, if any, are advisable in respect of the methods at present in force for furnishing Telephone service to the public." The usual full powers were given to the Committee and in his short speech the Hon. Mr. Campbell said:

> It does seem to me that this is the most important matter that the Legislature has to consider during the present Session. Our Telephones have become such a part of our existence that it would be hard for us to get along without them, and yet it must be apparent to nearly everyone that at the present time they are denied to the great bulk of the people of the Province. The price that we have to pay for Telephones in this Province is such as to make it prohibitory for the working men to enjoy the luxury. In addition to that there has not been any extension of moment to the rural population of the Province of the system of Telephones, and it is of the utmost importance that such a system should be extended to the rural parts of Manitoba at the earliest possible date.

The Hon. C. H. Campbell was appointed Chairman and a number of meetings were at once held when witnesses from various parts of the Province were examined and evidence taken as to the cost, operation and general character of existing independent plants and of the service given by the Bell Telephone Co. Satisfaction with independent systems was expressed in a moderate degree from Gladstone, Plumas, Russell, Yorkton, Neepawa and some other places. On Feb. 21st Mr. L. B. McFarlane, General-Manager of the Bell Company, was heard, and testified at length as to the position and policy of that concern. It was a Canadian corporation, he said, with the American Company as a minority shareholder receiving nothing from the business excepting ordinary dividends. Up to Dec. 31, 1905, its construction account in Manitoba for long distance lines had been $248,-432; its returns therefrom in 1905 $63,300. The general cost of all construction in the Province up to the end of 1905 was $1,271,878 for plant and $86,040 for real estate, with gross earnings for the year of $303,056, and 7,506 telephones under lease on Dec. 31st. Of the Company's entire capital at that date 15 per cent. was invested in Manitoba and 25 per cent. of its capital expenditure in 1905. The net earnings of the Company in 1901-5 varied from 4·53 per cent. to 7·7 per cent. The following figures were given as to these years:

Year.	No. of Agencies.	Capital Invested in Manitoba.	No. of Subscribers.	Gross Receipts.	Expenses.	Net Revenue.
1901	14	$ 345,458	2,333	$ 90,640	$ 68,654	$21,984
1902	24	395,348	2,950	114,643	91,133	23,509
1903	44	522,128	4,140	162,182	115,265	46,916
1904	49	428,681	5,601	228,866	170,840	58,026
1905	76	1,271,878	7,616	301,721	273,649	28,071

The Committee heard many other witnesses, including Mr. Francis Dagger, a Telephone expert from Toronto who, later on, spoke throughout the Province in favour of the public ownership policy. Members of the Committee also paid visits to Minneapolis, Chicago and Grand Rapids and heard evidence as to conditions affecting independent companies and municipal control. On Feb. 27 the Report was submitted to the Legislature and stated (1) that the Telephone was a public utility which "should be owned and operated as a Government and municipal undertaking"; (2) that the existing rates charged for Telephone service were exorbitant and that a considerable reduction could easily be made; (3) that it was desirable that the Government of Manitoba should construct long-distance lines and itself operate the lines, or have it done by a Commission, but not until a number of municipalities had agreed to erect and maintain exchanges sufficient to justify the establishment of such long-distance lines; (4) that the Government should enter into a contract or arrangement as to rates with the municipalities so as to provide inter-communication at a satisfactory and low cost; (5) that the use of the automatic service seemed to be desirable but that further inquiry was recommended and that conditions to the South indicated the obtaining of long-distance communication with independent telephone companies in the States to be easy; (6) that local Telephone systems should, preferably, be owned by the municipalities; (7) that it was desirable and expedient to have all doubts set at rest as to the authority and power of the Legislature and municipal authorities, when duly authorized, to expropriate any system of Telephones in the Province—irrespective of Dominion or Provincial incorporation—and that application should be made to Dominion Government and Parliament to remove such doubts and confer such powers; (8) that the Legislature should memorialize the Parliament of Canada not to increase the capital of the Bell Company unless it was willing to submit to municipal regulation and Provincial control.

On the same day that this Report was presented to the Legislature the Hon. C. H. Campbell introduced Bills dealing with the subject. The first Act provided that the Government should have power to purchase, lease, construct, extend, maintain or operate within the Province a Telephone or Telegraph system, or systems, and especially in the cities of Winnipeg and Brandon and the town of Portage la Prairie, upon the request of the Council of the Municipalities mentioned; that it could purchase, by way of expropriation, any interest in any Telephone or Telegraph system within, or partly within, the Province; that the price to be paid in this latter case might be fixed between the parties concerned, or determined by the provisions of the Manitoba Expropriation Act, and at the actual value of the property, with 10 per cent. added and without further allowance for franchise or prospective profits; that the Government, in respect

to any systems so owned or operated, should have the powers and rights already conferred upon municipalities in regard to existing Telephone systems; that it should have the power to sell or lease to any municipality in the Province the whole or part of such Telephone system or systems and to enter into any necessary agreement respecting connection, joint operation, reciprocal use and transmission of business, etc., as between its Telephone and Telegraph systems or any other systems; that it should have power to issue debentures from time to time at an interest not exceeding 4 per cent., and a time not over 40 years from date, for the purposes of this Act, and to make financial provisions and regulations under the Act; that it should have power to appoint and pay Commissioners, not exceeding three, and one qualified engineer, for carrying out the objects proposed.

A second measure dealt with municipal Telephones and provided that municipalities should have power to pass by-laws for the expropriation of Telephone systems within their boundaries subject to assent by duly qualified electors upon money by-laws. The Government of Manitoba under such conditions was given the right to guarantee payment and interest of debentures issued by municipalities for such a purpose. The conditions as to expropriation were the same as in the measure dealing with the Government's powers. Clauses in the Municipal Electric Light, Gas and Telephone Act were also amended so as to include cities within its scope and to provide for connection, joint operation and reciprocal use, etc., of other Telephone systems owned by the Government of Manitoba or by persons, companies or other municipalities. It was, besides, enacted that the Council of every municipality not owning or operating a Telephone system in the Province should take a vote of its ratepayers at the next ensuing municipal elections upon the question: "Shall this municipality own and operate its own Telephones?" The second reading of these measures was moved by the Attorney-General on Mch. 1st in an able speech of three hours' duration in which he described the Government's reasons for taking up this policy and the beneficial results which it was hoped would ensue. Upon the financial side of the question and the relation of the municipalities towards it Mr. Campbell spoke as follows:

> In some of the sparsely settled municipal districts a system not involving a very large expenditure of money would be found both effective and practical in its operations in that municipality; while in those municipalities where there is a larger settlement and where the use of the Telephone would be much greater, they would require, possibly, a better and more costly system than in a sparsely settled district. Upon this point I do not apprehend there will be any difficulty, because I have not the least doubt that every municipality will be desirous of receiving that professional advice which the Government will endeavour to render them through the employment of a qualified electrical engineer, who will be employed in the laying out of the system from one end of the Province to the other, and I say the services of that engineer will be at the disposal of the various municipalities. After the municipalities have deter-

mined this question then the Government stands ready and willing to finance the scheme for them. It will no doubt be considered wise in the judgment of this House that the municipalities which enter into this system shall have such financial endorsement as will enable them to obtain the money necessary for the carrying on of this principle, at as low a rate as possible, and I believe the Government is justified in guaranteeing the bonds for these municipalities in accordance with Section 8 of this Bill. We will not only have the credit of the municipality, but each municipality will have an asset equal to the obligation that they enter into, and the municipalities will also have under municipal organization an equipment with sufficient return to enable them to meet the demand of the interest and to provide a sinking fund equal and sufficient to meet these bonds on their maturity. And they will have this advantage, that with the usual allowance or percentage necessary to lay aside for a sinking fund, they will at the expiration of those debentures have paid for the Telephone system, and will then own the asset absolutely free from debenture obligation, and will be enabled thereby to give to the municipal customers still lower rates.

Besides moving the adoption of these Bills Mr. Campbell also presented a Resolution formulating an Address to the Governor-General praying for Provincial authority to lawfully expropriate the property, franchise and business of the Bell Telephone and other Companies, or municipalities, owning and operating Telephone systems in Manitoba. Upon the Opposition side Mr. Horace Chevrier dealt with the Bills at length. His first point was the absence in the matter at issue of accurate knowledge where special and technical information was essential. He endorsed the principle of public ownership in national, Provincial and municipal application; declared the legislation to be a purely practical product of political conditions with neither a business character nor patriotic object; stated that under the Bell Telephone Company's Federal charter any interested municipality could apply for and receive a reduction of rates; criticized the Select Committee's Report as having been too hastily prepared and as furnishing a poor basis for rushing into liabilities involving millions of dollars; described the request for special powers from the Dominion authorities as an extraordinary one and most unlikely of acceptance at the hands of a Government which had been already antagonized at so many points; stated that the Government proposal would "cut the heart out of" the Bell Telephone system which now extended from the great lakes to Edmonton and south to Chicago and St. Paul; declared that the Dominion Parliament might well be justified in opposing such a policy; pointed out that if the Dominion Government finally decided to nationalize the entire Telephone system there would then be competition between Federal and Provincial systems; objected to the expropriation clauses as practically amounting to confiscation. Mr. Chevrier concluded by saying that with all these criticisms of the legislation itself he yet agreed with the underlying principle and would vote for the Bills and the Resolution. The measures passed in due course after notable speeches by Messrs. S. W. McInnis and J. H.

Howden upon the second reading and with some further debate at subsequent stages.

In the House of Commons on July 19th the subject was discussed at some length upon a motion by Mr. W. D. Staples proposing to give the Provinces the right to expropriate such properties and interests as have been described under the conditions indicated. He stated that the Dominion Government's reply to the Manitoba Memorial had been a simple statement that the matter was referred to the Minister of Justice for an opinion as to Parliament's status in the premises and that there the subject had rested. Mr. W. F. Maclean supported the proposal as a step along the lines of his favourite policy and Mr. A. A. Stockton, a Conservative, opposed it on the ground that the Province could charter private companies to do the work without destroying the Bell Company's position as a link in an important and established chain. The Minister of Justice contended that the proposal involved asking the Dominion Government to hand over a portion of its recognized and exclusive jurisdiction to a Province; declared corporation abuses to be amongst the great crimes of the day in America and professed faith in the ultimate triumph of public ownership principles; and expressed the belief that Manitoba could establish a system of its own which would become a rival of the Bell Telephone Co. Mr. E. A. Lancaster supported the motion as did Mr. R. L. Borden who argued that the power to delegate authority for expropriation purposes to the Provincial Government was in all probability one which the Dominion Government could constitutionally exercise. Its Militia Department had more than once exercised such delegated power for the Imperial authorities. The motion was, of course, negatived.

Meanwhile, the municipalities of Manitoba had not been idle. Mr. Mayor Sharpe of Winnipeg, early in March, presented his City Council with a Report embodying personal observations in St. Paul, Minneapolis, Chicago, and Grand Rapids and declaring himself convinced that rates could be materially reduced by the adoption of such a system of independent control as was established in Grand Rapids, especially. He urged the Council to be ready to go into the question when the Government was prepared with its plan. A large delegation, representing the Governments of Manitoba and Ontario and the Municipal Unions of Canada, Quebec, Manitoba, British Columbia, Alberta and the Councils of various cities, waited upon the Dominion Government on Apr. 27th and endorsed the Manitoba Government's request for expropriation powers in this connection. Mr. F. Dagger early in September was appointed by the Provincial Government a sort of Telephone Commissioner with the function of informing and arousing public opinion on the question to be presented the people at the coming Plebiscite. He spoke in Winnipeg, St. Charles, Rosser, Brandon, Birtle, Dauphin, Portage la Prairie, Elmwood, Morris and many other points.

At the annual meeting of the Union of Manitoba Municipalities held in Portage la Prairie on Nov. 6th the subject was elaborately debated. The Hon. C. H. Campbell addressed the Convention and upon one subject largely discussed in the Plebiscite campaign made this statement: "Let me say positively and unequivocally that each municipality must bear the burden of the cost and operation of its own Telephones, and no portion of the liability or deficiency (if any) of one municipality must be laid upon the other municipalities. Let me further say that if there is any doubt upon this point, and the legislation requires amendment, a suggestion from you will see that it is remedied, and I wish positively to assure you that each municipality will bear its own burden. Also I wish to assure you that any debt created for Telephones will not affect the general bonding powers of the municipalities but is an additional borrowing power." Mr. Mayor Fleming of Brandon, the presiding officer, took strong exception to the Union's discussion of this subject as being of a political nature and himself opposed the Government's plan because (1) it did not ensure that the whole Province which bore the financial burden and expense would share proportionately in the benefits; (2) there was nothing to indicate that the lines would be self-supporting or that their operation and maintenance, as well as construction, would not become a burden upon the Province at large; (3) the Province, as a whole, was to provide out of its revenue for the local systems in Winnipeg, Brandon and Portage la Prairie; (4) the rural and other municipalities, after helping the three rich municipalities to establish their systems, must then (most unjustly) build, maintain and operate their own services. After a sharp discussion the Union by a vote of 89 to 16 passed the following Resolution, appointing at the same time a Committee to confer with the Legislature regarding changes in the existing law and expressing also its non-approval of some undefined details in the legislation:

We re-affirm our former declaration that the Telephone is a public utility and as such should not be left in the possession or ownership or under the control or operation of a private individual or corporation, in whole or in part, but that the ownership, control, and operation of the same should be undertaken by some body or bodies representative of the people, responsible to the people and in trust for the people; that, therefore, we recommend to all municipal electors to vote "yes" in answer to the question to be submitted on the Telephone matter at the coming municipal elections; that as the Dominion Parliament will not take over the Telephones and operate them for the benefit of the people of Canada therein, Parliament should grant to such of the Provinces as are willing to introduce a public-owned Telephone system power to expropriate on a fair valuation all existing Telephone systems operating under Dominion charter; and we declare that the Provincial Governments should, under such circumstances, insist on such power of expropriation being given to them, as it is intolerable and contrary to the first principles of constitutional government, that a private individual or corporation should be allowed to own or operate a utility, commercially and for gain, in direct opposition to a public or state-owned and operated utility of the same kind—at the same time and within the same state of jurisdiction, whether that state be a municipality, a province or a nation.

At the close of the year the Government issued a statement estimating the cost of construction for a one-mile line with one telephone, and poles 25 feet long and 6 inches in diameter, as $97.95. Mr. Dagger worked out the probable rates under the Government's scheme as being $12 per phone per annum on a basis of one farmer in every mile; of the 50,000 farmers in the Province he estimated one-third as wanting Telephone connection at once. He claimed in a press interview on Dec. 4th that it had been "demonstrated by the Companies in the United States that $15 per phone was a very high figure for the operation and maintenance of a Telephone system having the same proportion of long-distance lines as had the Bell Telephone Company of Canada. At $15 per telephone the operation and maintenance expenses of 66,160 telephones would be $992,400 or a saving of $1,139,-348. Add to this the saving in interest previously quoted, the total saving effected under public ownership would be $1,676,613. Allowing the setting aside of 5 per cent. or $330,800 for sinking fund and depreciation, which is a conservative amount in a properly managed system, the net saving would be $1,345,813 or $20.34 per telephone." At this time, it may be added, the Bell rates in Manitoba were $24.00 for farm telephones and in villages and towns $18.00 for residences and $24.00 to $30.00 for business telephones. In Winnipeg the rates were $50 and $30 respectively.

As the Plebiscite campaign proceeded the Government proposals received the support of a number of speakers from outside the Province—notably ex-Mayor Joshua Dyke of Fort William who had done pioneer service locally in the promotion of public ownership principles; Mr. N. F. Wing of Grass Lake, Mich., a promoter of rural telephones; Dr. J. F. Demers of Levis, Que.; Mr. C. B. Cheadle of the Illinois Independent Telephone Association; Messrs. J. B. Ware of Grand Rapids, Mich., and J. H. Shoemaker of Waterloo, Iowa. The Bell Telephone Company put up a vigorous fight and its speakers were heard throughout the Province in criticism of the proposed policy as involving heavy municipal liabilities and in arguments adduced from Great Britain's alleged experience.

The municipal vote, as finally given on Dec. 18th, showed a majority for the Government proposition though at first there was doubt expressed in some quarters as to the result. The by-laws failed to pass in quite a number of places. The vote was upon an abstract question and was put as a money by-law with only property holders eligible to vote and a three-fifths majority necessary. The Winnipeg vote had been taken on the 11th with 2,984 in favour of municipal ownership and 984 against. The first general returns showed 88 municipalities as reporting out of 123 with a total favourable vote of 10,080 and a negative vote of 6,811; 50 municipalities with favourable majorities, 38 with opposing majorities, and 45 giving 60 per cent. or over in favour

of municipal phones. The result, as finally recorded, showed 54 municipalities giving an overwhelming majority for the Government proposition; 13 giving a vote of 50 and 60 per cent. in its favour; 56 voting against it. The net result was a favourable majority of 11 municipalities and a total popular vote of 24,400 out of which the Government plan received 3,770 majority. Mr. Premier Roblin had, meanwhile, announced his future policy in the premises on Dec. 14, after the decisive preliminary majority had been given in Winnipeg: "The Government," he said, "accepts the vote as a command to proceed at once with the construction of long-distance lines and give the people the advantage of a Provincial service. The Cabinet has instructed the Public Works Department to at once call for tenders for poles, wire, insulators, etc., so that as soon as the frost is out of the ground we can get to actual construction. We expect to construct 1,000 lines, possibly more, next year. In rates we will more than cut the Bell Company in two."

The controversy had, meanwhile, mixed up Provincial and municipal politics considerably and the Plebiscite contest and its results were read into the political situation and the pending general elections. The Premier and his Ministers spoke at various places in favour of their policy of Provincial ownership in long-distance lines and municipal ownership of local ones. Mr. Brown, the Opposition Leader, did not actually ask his followers to vote negatively in the Plebiscite but the chief Liberal organ—the *Free Press*—conducted a clever and effective campaign against the whole proposal. On Dec. 27th the Provincial Liberal Executive met in Winnipeg and passed the following Resolution: "The Liberal Party declares emphatically in favour of complete Government ownership and operation of a Telephone system in this Province, believing this to be the only practical solution of the question of coping with the existing monopoly and, if the party is successful in carrying the country, we undertake to proceed with the installation of such a system as soon as the necessary legislation can be passed and the present Government's Acts repealed, so as to relieve the municipalities of the cost and trouble of installing their own systems."

Manitoba's Budget and Financial Conditions

Six years of a growing surplus, a record year in revenue and expenditure and surplus, a new Agricultural College and other public institutions paid for out of general revenues—these were the chief points of the Budget speech delivered by the Hon. J. H. Agnew on Feb. 21st. The total consolidated revenue receipts for the year ending Dec. 31, 1905, were $1,860,899; the total consolidated revenue expenditure was $1,395,776; the surplus was $465,123 or nearly half a million dollars. In 1904 it had been $249,358; in 1903 it was $148,777; in 1902 it was $289,686; in 1901 $49,444 and in 1900 $11,056; or a total of $1,213,446 in surpluses during the six years of Provincial Con-

servative rule. The actual cash in hand on Dec. 31, 1905, was $1,435,282 and the surplus was stated by the Treasurer to be composed mainly of cash at the credit of the Government in different Banks. Out of the expenditures of the year $488,109 was described as having been given back to the people. Since 1900 the expenditure upon Education had increased $48,493; upon Agricultural associations $12,773; upon hospitals, etc., $48,088; in aid to municipalities $20,867; in other grants of this character $130,373. The chief items in receipts and expenditures, upon Consolidated revenue account, were as follows:

Receipts, 1905.		*Expenditures, 1905.*	
Subsidy	$ 608,947	Legislation	$ 44,086
School Lands Fund	130,721	Treasury Department	260,222
Land Titles Fees	171,069	Education	312,233
Liquor Licenses	84,566	Agriculture	160,685
Interest	64,100	Immigration	24,980
Provincial Lands	446,752	Attorney-General's Department	238,746
Support of Insane, etc	92,861	Maintenance of Insane, etc.	165,884
Succession Duties	12,002	Maintenance of Buildings	24,258
Insurance Act Fees	16,206	Aid to Public Works, etc	91,095
Corporation Tax	56,766	Sundries, etc	73,587
Railway Tax	56,657		
Sundries	120,252		
	$1,860,899		$1,395,776

In addition to these ordinary receipts and expenditures there were certain additional sums. The grand total of receipts included $159,522 from what were called Open Ledger accounts—payments chiefly for interest from municipalities and drainage districts; and $541,460 from Trust Accounts which included mainly municipal and drainage district sinking funds or working accounts. The grand total was $2,562,813 and that of expenditures $2,413,289. The latter's additional sums included Open Ledger account $173,962; Trust accounts $473,677; capital account $345,361—of which $56,299 was expended upon the Winnipeg Normal School; $99,078 upon the Agricultural College; $60,566 upon the Insane Asylum, Brandon; $39,760 upon a Home for Incurables; and $68,020 upon Land Titles Offices. The Treasurer estimated his revenue for 1906 on Consolidated account at $1,948,447 and his expenditures at $1,822,479. After giving his main figures Mr. Agnew proceeded to review matters of policy affecting, directly or indirectly, the financial situation. He explained the Swamp lands affair in which 1,262,262 acres had been surrendered to the Province in 20 years out of a total of 7,000,000 acres and with a deducted charge of $143,977.

His reference to the Dominion Government's attitude in the matter was as follows: "The cost of what has been transferred has been deducted in the most arbitrary manner. No account was sent to the Province and no request made for payment, but the money was simply deducted from the Subsidy. In 1905,

apparently, a new policy was inaugurated by the Dominion authorities in this respect. I do not know why. Everything is blank. The cost that has been deducted from the Subsidy to the Province has been absolutely nothing. Lands that have been handed over to the Province during the past year are exactly the same—not one acre." He re-asserted the right of the Province to manage its own School funds and stated that, in the past five years, $888,857 had been expended upon the Public Schools of the Province while the amount received from Ottawa had been $513,527. Mr. Agnew explained the position of the Province in the Manitoba and North-West Railway matter. Government bonds were issued in 1886 (payable in 1910) to the amount of $787,426 and handed over to the Railway Company upon the security of lands held. Upon the failure of the Company to make its payments a settlement was effected in 1899 by which the Province took the lands and paid the interest on the bonds. The balance owing to the Province on Dec. 31, 1904, was $551,309; the sale of lands during 1905 brought in $192,008; the lands originally taken over totalled 542,560 acres of which the balance in hand on Dec. 31, 1905, was 121,831 acres; the value of this remaining land at $4.00 per acre was $487,325 and the payments due on lands already sold would realize $1,222,183. This combined total of $1,709,813 would be more than sufficient to meet the Provincial debentures due in 1910 and, meanwhile, the amount in hand was more than enough to pay the interest.

Reference was made by the Treasurer, at some length, to the incidence of corporation and railway taxes. They should, he declared, be fairly imposed and equitably distributed. During the past six years the Province had realized $230,632 from the corporation tax and $237,630 from the railway tax—the increase having been steady and running from $14,708 received from the corporations in 1900 and $16,000 from the railways to $56,766 and $56,657, respectively, in 1905. Adjustments were still necessary in such cases as the Dominion Express Company and the Bell Telephone Co. During 1906, he added, the Canadian Northern Railway would commence to pay taxes by virtue of the agreement of Feb. 11, 1901. "In his opinion the revenue to be derived by the increased taxation of corporations and railways should be distributed amongst the rural municipalities for the construction of roads and bridges, to enable the farmers to draw their products more easily from the farm to the elevators."

The Hon. C. J. Mickle reviewed the financial statement, from the Opposition standpoint, on Feb. 22nd. He contended that the Government's expenditure was excessive and the items extravagant; that the initial policy of the Greenway Government was responsible for the revenue which increasing development had simply added to; and declared that the average price received for Government lands—of which 1,872,931 acres were available

when the present Government came into office and 414,596 acres of Swamp lands which had been since received—was $2.92 per acre as compared with an average under Mr. Greenway of $3.15 and increasing averages in C. P. R. and Hudson's Bay Company lands amounting in 1904 to $4.10 and $6.05 respectively. He took credit to the Greenway Government for the Manitoba and N. W. Railway settlement and stated that the Conservative leaders of that time had opposed it as dangerous. The *Free Press* claimed that the expenditures in the last five years of Liberal rule, 1895-9, had been $4,092,759 and in the past five years of Mr. Roblin's Government $6,692,127 or nearly a two-thirds increase. Mr. Edward Brown, the Opposition Leader, alleged over his own signature in the *Free Press* of Sept. 17th that the surplus was "largely a matter of book-keeping—a paper surplus in fact."

Educational Affairs in Manitoba

The question of Educational conditions attracted considerable attention in the Province during 1906. The Hon. J. H. Agnew, Provincial Treasurer, discussed them in a speech at Carberry on Jan. 25th. There were some things, he thought, not satisfactory, particularly with regard to small rural schools. It had been stated that the average child had to go a mile and three-quarters to school. They had the schools, the machinery and the money but, unfortunately, there was a small attendance and it seemed to him that the day had gone by when they should multiply the small school districts. The policy of the Department of Education had been more to take the schools to the children, but the difficulty of securing thoroughly competent teachers was very marked. Mr. Agnew pleaded for the small and weak schools and for consolidation, with transportation of the children. He was very glad to say that the plan was in operation in his own constituency of Virden, where the first consolidated school in Manitoba had been established. He believed that the Government might be willing to aid along these lines. To the Manitoba Teachers' Convention on Apl. 20th, Mr. Agnew urged consolidation in rural schools and in Boards; a fundamental teaching of good English, good writing and good reading; and better remuneration for teachers. He hoped the Government might be able to devise some means of following Ontario's example in this latter respect.

Addressing the same organization on the 17th, Hon. C. H. Campbell, Minister of Education, stated that the Department greatly desired to raise the status of the teaching profession. Its general educational policy was "better pay, better conditions and better teachers." He went on to say that "the Department had had in view a number of changes, but had found that along certain lines the people of the Province were not prepared for them; so he hoped the teachers would carry on a campaign for educating the electors. One detriment to the cause of education was the small school districts. If the school districts were to

take in the whole municipality they would be able to elect trustees who would not have narrow views, and the latter would lay out the whole municipality along educational lines so that improved conditions would result." The Association, during its meeting, passed a Resolution in favour of a compulsory education law for the Province—a policy which the Police Magistrate of Winnipeg declared later in the year to be essential as a check upon the youthful degradation and crime exhibited in cases then coming before him. On Jan. 17th the School Board of Winnipeg had dealt with this subject at length, passed a Resolution urging the Government and Legislature to take action, and itself prepared an Act for consideration. This proposed measure enforced the attendance at school of children under 14 years of age, with certain stated exceptions, and provided for local truant officers and heavy penalties for infringement.

Mr. J. T. Gordon, M.L.A., who was to have had charge of the Bill in the Legislature, wrote a letter to the Board on Feb. 12th which aroused some sectarian controversy and was understood to mean that unless the Board and the Roman Catholic Board could come to an agreement on certain matters he would not be able to present the measure to the House. The writer seemed to fear that compulsion in attendance would affect the interests of the private or separate schools supported by the Catholic ratepayers—in addition to the payment of their public school taxes. Mr. Sampson Walker, M.L.A., also refused to introduce the measure. Following these incidents came a vigorous attack upon the two members by the *Western Banner,* an Orange publication; the withdrawal of this criticism at the Orange Grand Lodge meeting of the following day (Mch. 8); and the passage by that body of a long Resolution denouncing the Laurier Government for an alleged attempt to coerce Manitoba into accepting Separate Schools through the Boundary issue and expressing confidence in the Roblin Government's position and policy in this respect. Speaking in Winnipeg on Dec. 13th Archbishop Langevin of St. Boniface declared once more that the Separate School question in Manitoba was not settled.

In Winnipeg, on Nov. 20th, Hon. J. D. Cameron delivered an elaborate address upon compulsory education and its application and results in various countries. His conclusion was that the time had come to settle the question and for the Legislature and Government to face whatever legal or constitutional issues might be involved. It would, he added, have been included in the 1890 Act but for fear of affecting the validity of that famous bit of legislation. Speaking in Winnipeg on Dec. 21st Hon. C. H. Campbell referred to the good work being done by the Normal Schools at Brandon, Manitou and Portage la Prairie and expressed gratification at the fact of Ontario following the example of his Province in creating an Advisory Board of Education. "It had proved a treasure in Manitoba." It was com-

posed, in 1906, of Archbishop Matheson (Chairman), Rev. Thomas Hart, B.D., John Graham, B.A., Rev. Father A. A. Cherrier, Professor R. R. Cochrane, B.A., Dr. J. R. Jones—all of Winnipeg and appointed by the Department of Education—together with D. J. Wright of Deloraine and Daniel McIntyre, M.A., of Winnipeg, elected by the teachers of the Province.

A new Normal and Model School was opened in Winnipeg on Oct. 29 with the Premier, other members of the Government and leading Provincial educationists present. The completion and opening of the Manitoba Agricultural College was an event of the year in Education as well as in Agriculture under which it is referred to more fully. St. Boniface College added a handsome new wing to its main building; three new Public Schools were built in Winnipeg; the new Manitoba Medical College was opened on Jan. 26th. The University of Manitoba discussed during the year, as it had frequently done before, the disposition of its public lands. On Jan. 25th its Council met a delegation from the Union of Manitoba Municipalities and went into the matter from the standpoint of the latter; which naturally wanted lands now exempt from municipal taxation to be sold so that the municipalities might benefit from their taxation. In some of them as much as 15,000 acres were exempted and this, it was claimed, acted injuriously upon elementary education. Dr. J. R. Jones presided and Archbishop Matheson, in speaking for the University, said that everything was being done and would be done to put these lands on the market. In the past few years 30,000 acres, or one-fifth of their whole land grant, had been disposed of. It seemed that only nine or ten municipalities were seriously affected in the matter and these the Council would make special efforts to relieve. In any case, as His Grace and other speakers claimed, the University belonged to the people as truly as did the municipalities and their interest in higher education was a common one. If the University helped some of the municipalities by selling the lands at a prospective loss, the other and more numerous municipalities should help the University. A joint Committee was appointed to consider this suggestion.

The general position of the University was also largely discussed. To some extent a State institution with four affiliated Colleges—Wesley representing the Methodists, Manitoba the Presbyterians, St. Boniface the Roman Catholics and St. John the Anglicans—it examined all students for University degrees upon an equal footing and had received from the Province lands valued at $1,125,000 up to Oct. 12, 1906. At a meeting of its Council on Jan. 31st Archbishop Matheson estimated that after spending $200,000 on such new buildings as were necessary they would only have assets of $1,000,000 or $60,000 a year and of this $15,000 was already set aside for teaching purposes. He hoped the institution would not become merely a School of Science. Dr. J. R. Jones appealed for an effective Faculty of

Science while Mr. W. A. McIntyre wanted all the branches of a University course. All the speakers declared that Provincial, municipal and popular aid were all needed to make it a great University. Prof. W. F. Osborne feared the danger of too much secularization in a State institution especially if science should be made the ideal. "What Manitoba University needs more than anything else is a President, some eminent and capable man who will stand out as a leader and representative before the people."

This discussion was continued on Feb. 22nd when the Rev. Father Drummond declared that too much science led to materialism and Rev. Dr. Bryce stated that any attempt to make it a Provincial University would at present disintegrate the institution. He suggested that in addition to the teaching of science, modern languages and mathematics, the University should take up political science; the professors should be appointed in their various subjects as funds permitted; that Fellows should be appointed to assist in mineralogy and geology and zoology; that civil engineering and mining should be added when funds permitted; and that the Council should confer with the Law Society with reference to the establishment of lectureships in Law. Principal Patrick wanted Faculties of Engineering and Commerce. Dr. Stewart pointed out that of 1,000 students now enrolled at the University 50 per cent. had been brought in by the Colleges. At the Provincial Teachers' Convention (Apr. 27) President S. E. Lang reviewed the situation at length and described the University's chief defect as being its aloofness from the life and thought of the people. At a banquet on May 31st, Rev. Canon Murray "believed that the right solution of the question was that the University should undertake a higher form of university work and that the Colleges should do tutorial and individual work; also that the University policy should permit of the establishment of any number of denominational colleges, or even of secular institutions, on a central University site." Principal McIntyre of the Normal School urged a new site; the affiliation of all State institutions in the Province including the Agriculture College; education of the public along the lines of a tax on rateable property; and reform in the composition of the Council. Mr. R. Fletcher pointed out that in two years Lord Strathcona's grant of $5,000 a year would run out. During 1906 Rev. Richard Talbot, M.A., was appointed Professor of Theology in St. John's College; Mr. R. J. Richardson, B.A., Professor of Philosophy in Manitoba College; Rev. James Elliott, B.A., PH.D., Professor of Philosophy in Wesley College.

Brandon College, a prosperous Baptist institution with 160 students, which had refused on grounds of religious scruple and objection to Church and State combination, to affiliate with the University of Manitoba, made a strong effort during 1906 to obtain University rights as the North-Western University of Canada. Dr. S. W. McInnis presented a measure embodying this ambition to the Legislature. His argument was that there

should be no monopoly in Higher Education while the Government view was that a certain principle of federation of Colleges within the University of Manitoba had been adopted as the policy of the Province and should not be lightly changed. The Rev. Dr. A. P. McDiarmid, Principal of Brandon College, wrote a long explanatory letter to the Winnipeg press on Feb. 10. Eventually the measure was withdrawn. It may be added that besides the flag-flying legislation of the year a measure was passed at this Session limiting the right to vote for school trustees to those who were British subjects by birth or naturalization. On Nov. 3rd it was announced that the sales of Manitoba School Lands by the Dominion authorities in the previous two months had totalled 121,042 acres at $1,468,326 or an average of $12.13 per acre. The increased annual interest which would thus accrue to the Province for educational purposes was estimated by the *Free Press* at $70,000. The School statistics for the year ending Dec. 31st, 1905, were made public by the Department of Education during 1906 and a condensed summary follows:

Legislative Grant to Schools	$218,892
Municipal Taxes for Schools	951,911
Number of School Districts Organized	1,360
Number of Schools in Operation	1,761
Number of School Houses	1,236
Teachers' Salaries	$840,354
1. Average Salary in Cities and Towns	666
2. Average Salary in Rural Schools	459
3. Average Salary for Province	514
4. Highest Salary Paid	2,400
5. Highest Salary in Rural Schools	800
Number of Teachers attending Normal School	2,028
Assets—	
1. Due from Municipal Councils	$ 724,718
2. Value of School Houses, etc	2,992,665
Liabilities—	
1. Amount due to Teachers	$ 102,924
2. Debenture Indebtedness	1,658,599
Number of Pupils Registered (1901)	51,888
Average Attendance	33,794
Number of Teachers	2,272
Number of Male Teachers	597
Number of Female Teachers	1,675
Teachers with Certificates—	
1st Class, 240; 2nd Class, 1,092; 3rd Class, 602; Interim, 279.	

The Flag Legislation of the Roblin Government

A variety of reasons led up to the action which, perhaps, conduced more to the Dominion reputation of the Roblin Government than almost any other subject of policy or action during its term of office. The continued influx of United States citizens, the settlement of immigrants from many European countries, the flying of American flags upon various occasions and, notably, the hoisting of the Stars and Stripes over the Winnipeg City Hall on July 4th, led the Government to feel that the Union-Jack, as the national flag of Canada, should find a more conspicuous place in the schools of the Province, and be more frequently before the

eyes of the children during their formative stages of mental growth. Speaking in Winnipeg on Sept. 12th to a gathering of young Conservatives the Hon. Mr. Roblin made the announcement of policy in this respect and presented an explanation of his reasons:

> The Provincial Government has decided that after the 1st of January, 1907, every school of this Province must have a Union-Jack flying during school hours. The Government will provide the flag and it will be the duty of the Trustees to replace any such flag that may have become useless. The rule of the Department will be that any school teacher or Board of Trustees that neglects or refuses to float a Union-Jack in school hours will forfeit their right to the public grant. I trust in making this move we will not be misunderstood. We welcome the various peoples that come to our Province, who are born under foreign flags, who speak a different tongue, and we give them the benefit of our civil laws, endow them with civil rights, the benefit of our criminal law and the free education of the schools; all of which are the outcome of the civilization and benefits that follow the Union-Jack; and I think the man who comes from a foreign country in order to benefit his circumstances, and objects to perpetuating the glories of our flag and declines to have his children infused with British patriotism, is a man that is undesirable.

The proposal was warmly commended by *The Telegram* and other Conservative papers of the Province; it was denounced by *The Tribune* (Independent-Liberal) as offensive because it made compulsory something which should be a matter of individual desire; and criticized by the *Free Press* as an "insult to patriotism" and in the declaration that "if he (Mr. Roblin) had been content with a Government scheme of sending flags to every school with the request that they be floated on all suitable occasions, his action might have made some impression." Interviewed by *The Telegram,* on Sept. 26, a number of American residents of Winnipeg including S. H. Shank, the United States Consul, and W. D. Gelraw, President of the local American Association, strongly endorsed the proposal as the proper thing to do and expressed wonder at the common practice of flying American flags. Such action would not be allowed in the States with British flags they all agreed. At the Manitoba Teachers' Association meeting on Oct. 12th there passed unanimously a Resolution in favour of carrying out the Premier's proposal. Teaching what the flag meant was the keynote of a number of speeches made during the Convention. A Teachers' Convention at Birtle on Oct. 16th and another at Brandon on Oct. 21 passed motions concurring in the policy. On Nov. 1st Hon. C. H. Campbell, Minister of Education, issued the following defined instructions to come into effect on Jan. 1st following, with forfeiture of Government grant as the penalty for disobedience, and with the presentation of the first flag in each case by the Government:

> It shall be the duty of the Trustees to cause to be erected and to keep in repair upon all public school buildings or within the public school grounds surrounding such public school buildings, which may be in their

respective school districts, a flag-staff or pole together with all the necessary adjustments, the said flag-staff or pole to extend not less than fifteen feet above the ridge, if erected upon the public school building, and to extend not less than thirty-five feet above the ground, if erected within the school grounds surrounding the public school building; and to provide a British national flag (Union-Jack) of not less than 4½ x 9 feet in size in rural school districts and 6 x 12 feet in size for schools in cities and towns and villages, which shall be floated from such flag-staff or pole from 9 a.m. to 4 p.m. on each and every day that the school is in session —provided that the flag shall not be hoisted on any day when, in the opinion of the teacher, the weather would materially injure such flag.

It was afterwards found that flag-poles were difficult to secure and the date was postponed to May 24th. Some of the Western papers endorsing this policy were the Brandon *Times,* the Gladstone *Age,* the Stonewall *Gazette,* the Calgary *Albertan,* the Dufferin *Leader* and the Regina *West.* Elsewhere it was widely discussed with a tendency to look at it from a party or anti-Imperialist standpoint in a portion of the press. The Toronto *Globe* and Montreal *Herald* objected to forcing people to fly the flag. On the other hand the Halifax *Chronicle* thought a lesson might be well taken nearer home; referred to the constant local flaunting of United States flags especially, and even officially, during the Exhibition period; expressed its wish that some law could be devised to stop that sort of thing. Taking the English-speaking press of Canada, as a whole, it may be said to have approved the action. The London *Times* and other British papers held up the policy as one which well might be copied by public bodies at home in Great Britain.

Political Affairs and Policy in Saskatchewan

There were no changes in the Saskatchewan Government during the year but the administrative changes and appointments incidental to the formative stage of a new Province were numerous. Early in the year Hon. J. H. Lamont was for a time acting-Premier and Commissioner of Public Works in the absence of Hon. Walter Scott. The appointments of 1906 included Mr. S. Spencer Page of Wapella as Clerk of the Legislative Assembly; Mr. James Murray, B.S.A., as Superintendent of Fairs and Farmers' Institutes; Dr. M. M. Seymour of Regina as Provincial Health Officer; Mr. William A. Wilson of Regina as Superintendent of Dairying; Mr. Frank Ford, B.C.L., a well-known barrister of Toronto, as Deputy Attorney-General; Mr. A. P. Ketchen of Regina as acting-Deputy Commissioner of Agriculture; Mr. J. S. Dobie of Regina as acting-Deputy Commissioner of Public Works. On Sept. 17 the Premier was gazetted as Commissioner of Railways in addition to his Commissionership of Public Works. Meantime all the preliminary work of forming and organizing the institutions of the new Province had to be carried on. In this Mr. Premier Scott had the aid of experience in the administration of different branches of Territorial affairs on the part of his colleague, Hon. J. A. Calder, and of officials such as Messrs. John A. Reid and J. R. C. Honey-

man. The Lieut.-Governor, also, had been Lieut.-Governor of the Territories. In Ottawa, during July, the Premier and his Attorney-General (Mr. Lamont) made arrangements with the Federal Government for the transfer to their Province of the Land Titles system and offices and of public institutions and buildings such as the Government House at Regina, the jails, court-houses, etc.

In the House of Commons on Mar. 12th the question of Mr. Walter Scott's selection for the Premiership of Saskatchewan was brought up by Mr. R. L. Borden who contended that as Mr. Haultain had been Premier of the Territories for 15 years and member of the Territorial Council for nearly 18 years he should have been called upon to form a Government. "Yet the Lieut.-Governor, whose chief advisor he had been for many years in that great country, saw fit to pass him by and to call a member enjoying a seat in this House and who had not been a member of the Territorial Legislature at any time, I believe." Mr. Borden went on to charge the Dominion Government and Sir Wilfrid Laurier with having interfered for party reasons to effect this result. The Prime Minister in his reply declared the Lieut.-Governor, from his personal knowledge, to be above such influences as were hinted at and declared that His Honour could have pursued no other course in the premises after Mr. Haultain had chosen to become an intense partisan. "Everybody knows that Mr. Haultain thought fit—I am not questioning his motives—to take part in the struggle during the last Session in the bye-elections in London and North Oxford. And everyone knows also that the language he made use of in both constituencies left no doubt at all that if he had the power he would do everything he could to destroy the constitution which we have given to the Provinces of Saskatchewan and Alberta." Under such circumstances he concluded that Mr. Forget could only call upon some one friendly to the constitution which he was administering. Sir Wilfrid concluded with the following tribute to the Saskatchewan Premier: "Mr. Scott impressed himself on this House by his ability, by his industry, by his courage, and by the devotion which he manifested upon all occasions to those Western interests of which he was especially the representative. Indeed, such was his devotion to the interests of the West that he thought it due to himself to renounce the seat which he had in this House so that he might be able to give to the new Province of Saskatchewan the whole of his ability, his energy, and his devotion."

On Jan. 18th a Temperance delegation waited upon Mr. Premier Scott and the Government in order to present a series of 19 changes or reforms which were desired in the Liquor License laws and regulations. In his reply Mr. Scott intimated that the subject had not been before the people in the recent elections nor had the Government yet considered it in detail. One thing, however, they could depend upon and that was a more strict

THE HON. CHARLES W. FISHER, M.L.A.
First Speaker of the 1st Legislature of Alberta.

THE HON. THOMAS MCNUTT., M.L.A.
First Speaker of the 1st Legislature of Saskatchewan, 1906.

enforcement of the existing law. He expressed himself, also, as being in favour of leaving the matter of Local Option to the municipalities rather than the License districts. Hon. Mr. Lamont also expressed himself in favour of the appointment of a Chief License Inspector, and of more subordinate Inspectors. Another matter which came up during the year was that of the Hudson's Bay Railway project. Both parties in Saskatchewan had supported it during the elections—as also in Alberta—and the Legislature of the former Province also passed a Resolution in its favour. Speaking to the press at Ottawa on July 26th the Provincial Premier described the general railway development of the moment and then added: "After all is said and done the people of Western Canada refuse to take their eyes off the Hudson's Bay route. For twenty years they have been looking that way. But for my determination to leave no stone unturned to bring about action upon this project, I should not have remained here so long. It is now brought to the point where concrete terms are being considered. The Prime Minister is most favourably impressed and I have the utmost confidence that the Hudson's Bay Railway will, within a comparatively short time, be an actuality."

The question of Hail insurance had been a rather prominent one amongst Western farmers for some years. The old Territorial Government had gone into the business with a deficit in 1902 of $9,722 and in 1903 of $1,755; a surplus of $9,548 was obtained in 1904. Speaking to the Saskatchewan Grain-Growers' Association in February Hon. W. R. Motherwell, Minister of Agriculture, dealt with the operation of the system at length. It had been carried forward from Territorial conditions where it had been originally started because of the fraudulent conduct of some Americans who cheated a large number of farmers some years before. As put in force the scheme was simple and elemental. "The Government makes a purely voluntary offer to the farmers to indemnify them to the extent of $4 per acre for a total loss of crop from hail. This is the maximum of insurance; an adjustment is made for partial loss. The premium is 15 cents per acre in cash." Mr. Motherwell pointed out that there was a good deal of indifference amongst the farmers regarding the subject due in part, perhaps, to the requirement that the premiums be paid in cash and, also, to the purely voluntary nature of the scheme. Two objections against the existing Ordinance might be found in the uniformity of the rate of premium without regard to differences in the risk incurred and the difficulty as to crops partially but not wholly destroyed.

Mr. Scott was in British Columbia during the autumn and to the Victoria *Times* of Sept. 6th he gave an interesting expression of opinion as to the trend of inter-Provincial trade: "We want your fruit and lumber and I think you will be willing to admit we pay good prices for them. I look for a large up-building

of this trade. The growth of Saskatchewan will help British Columbia largely; in fact I take the position of the Provinces west of the Great Lakes towards the Pacific coast as similar to that existing between Ontario and Quebec and the Maritime Provinces. If I may put it so, there is a trend of trade westward from the Atlantic and eastward from the Pacific that has almost a natural boundary which I think should be the eastern line of Manitoba." On Oct. 8th it was announced that the Provincial Premier had severed his connection with the Regina *Leader* of which he had been Editor, or proprietor, for eleven years and that it would be taken over by a new Company with Mr. W. F. Kerr of Ottawa in charge. He was in Toronto on Oct. 12th giving evidence in the London election case then being tried before Mr. Magistrate Denison and denied in positive terms any knowledge of the corruption practised during that well-known contest. In Winnipeg, on Oct. 5th, Hon. Mr. Motherwell referred to the progress being made in equipping the Province. He stated that the Public Works Department was carrying out a great many improvements, particularly in the newly settled districts, and that all of them were of a substantial and permanent character such as roads and bridges. The principal bridges were those being built at Saskatoon and Battleford, the former of which was to cost $100,000. In all the public works they were more or less limited by the supply of labour and material available.

Various Commissions were appointed by the Government during the year. One of these, in combination with Alberta, British Columbia and Manitoba, was instructed to inquire into, investigate and report upon the purchase and sale, whether by wholesale or retail, of sheep, cattle and meat in the Province and in the West generally; into the industry or trade connected therewith, and the conditions affecting or regulating prices thereof; into the existence present, past or probable future of any combination in restraint of or affecting trade in cattle, sheep or meat. The Commissioners appointed were Alexander Middleton of Medicine Hat, Alta.; William Scallion of Virden, Manitoba; Gordon W. Quick of Maple Creek, Sask.; and F. M. Logan of Victoria, B.C. On Nov. 5th Mr. Frank Ford of Regina and Supt. J. V. Begin of the R.N.W.M.P., Prince Albert, were appointed to inquire into charges of improper conduct made against T. J. Agnew, formerly a Justice of the Peace. Another Commission was appointed to revise and consolidate the statutes of the Province of Saskatchewan and the Ordinances of the North-West Territories in force therein. It was composed of Mr. Justice Wetmore, Mr. Justice Newlands, Mr. Justice Prendergast, Mr. T. H. McGuire (ex-Chief Justice of the Territories), the members of the Government and Mr. F. W. G. Haultain, K.C. Mr. Justice Wetmore was appointed Chairman and Mr. J. F. Frame, Secretary.

A Municipal Commission was gazetted on Oct. 3rd with the

general object of inquiry into municipal conditions, city charters and contentions, local assessments and taxation, effect of existing Territorial Ordinances, methods of taxation, etc. Its members were Peter Ferguson of Strassburg, William Andrew of Maymont, H. H. Campkin of Indian Head, J. W. Smith of Regina (Chairman), J. F. Cairns of Saskatoon and Andrew Whyte of Moosomin, with Spencer Page of Regina as Secretary. An elaborate list of questions was issued to the municipalities of the Province and sittings were held at Indian Head, Qu'Appelle, Regina, Moose Jaw, Moosomin and other places. An interesting incident of the year was the issue of a Royal Warrant, dated at St. James's on Aug. 25th, by His Majesty the King, of Armorial Ensigns to the Province. Not of so pleasant a character were the conditions which compelled the Scott Government's intervention in the coal strike troubles which marked the close of the year.

Early in November the Saskatchewan Premier was in Ottawa and made verbal as well as written representations to the Minister of Labour regarding the situation in the West caused by the Lethbridge strike. A report was submitted also from the Hon. W. R. Motherwell saying that there seemed little chance of settlement in the near future. In his written communication Mr. Scott said: "I cannot too strongly urge upon you the gravity of the present situation as affecting the people of Saskatchewan. I am led to believe that whereas in the summer and fall of 1905, the shipment of coal from the Lethbridge mines amounted to, roundly, 48,000 tons, the shipments during the same period of the present year have been only 8,000 tons. In past years at this time all the dealers' bins were filled, and on the other hand, at the present moment, I doubt whether there is a pound of Lethbridge coal in the hands of dealers anywhere in our Province." Meanwhile, on Nov. 10, the Provincial Government had issued a circular to Municipal authorities and coal dealers asking for definite information as to coal actually available and the replies were forwarded to Mr. Scott at Ottawa. Mr. Mackenzie King was thereupon sent out under the terms of the Conciliation Act. The end only came, however, after Mr. Premier Scott and his Government had made still further efforts to bring the parties together and Mr. Scott had joined in a final deputation to the head of the United Mine Workers at Indianapolis—which, however, did not actually have to see the official in question.

The extreme conditions of the moment justified this last effort but it would seem that the Deputy Minister of Labour (Mr. King) was right when he reported to the Dominion Government on Dec. 8th that: "When it is remembered that organized society alone makes possible the operation of mines to the mutual benefit of those engaged in the work of production, a recognition of the obligations due society by the parties is something which the State is justified in compelling if the parties themselves are unwilling to concede it. In any civilized community private rights should cease when they become public wrongs. Clearly, there is

nothing in the rights of parties to a dispute to justify the inhabitants of a Province being brought face to face with a fuel famine amid winter conditions, so long as there is coal in the ground and men and capital at hand to mine it." In this connection a Convention of Liberals at Cupar on Dec. 13th passed a Resolution specially and strongly endorsing the action of the Dominion and Provincial Governments in their intervention and action during these troubles and, incidentally, it may be added, congratulated Hon. Mr. Motherwell upon his aggressive management of the Department of Agriculture. So far as the Government was concerned the year ended with the severe illness of Mr. Premier Scott —an illness which compelled his absence from official labours during part of the ensuing year.

Meanwhile, the Legislature had been meeting, party feeling had, at times, run pretty high and the Opposition led by Mr. F. W. G. Haultain had not been idle. Its chief grounds of attack during the greater part of the year were charges of corruption in the general elections and in the Prince Albert and Regina local elections more especially. The former case is described elsewhere, the latter was dealt with from the Opposition standpoint by a public meeting held in Regina on Jan. 17th. The Liberal candidate, Mr. J. F. Bole, had been declared elected by the Returning Officer with a majority of three; the Opposition candidate, Mr. H. W. Laird, protested vigorously and presented at this meeting a number of reasons for believing that one of the ballot-boxes had been tampered with by the deputy returning officer and produced affidavits from 12 voters which appeared to give some colour to a rather complicated charge. Mr. Haultain, in his following speech, handled the subject without gloves:

> We will fight the case in the Courts, in the Legislature, and in the country. We will stand for the same principle, the principle of a recognition of the rights of the people of this Province, the right of the people to make their own laws, the right of the people to own their lands, timber and minerals, the right of the people to manage their own affairs, the right to make any school laws we please regardless of Federal aggression; and, more than that, the right which is to be fought out in the greater arena—the right of the people of all the Provinces of Canada to do their own business and manage their own affairs without any overpowering influence on the part of any one Province in this Dominion.

When the case came before Judge Newlands, upon the appealed and disputed ballots in question, he submitted a lengthy judgment on Feb. 1st declaring 18 to be good and 19 to be no good. Of the former nine were for Mr. Bole and nine for Mr. Laird and the Liberal was therefore declared elected. On Jan. 23rd a Convention of the Provincial Rights Party was held at Moose Jaw with some 200 delegates in attendance from all parts of the Province, including about 20 of the candidates in the recent elections. There was considerable enthusiasm and much earnestness of belief as to the unfair tactics and corruption charged against the

Government in the recent general elections. Mr. A. B. Gillis, ex-M.L.A., presided and the speakers included Mr. Haultain, Messrs. J. T. Brown, S. J. Donaldson, F. C. Tait, J. K. McInnis, Dr. H. E. Munroe and Dr. Ellis. During the session the Convention approved a Resolution presenting the party Leader with a purse of $10,000 but he positively refused to accept anything of the kind. Resolutions were passed (1) endorsing Mr. Haultain's leadership and policy; (2) condemning corruption in elections; (3) reiterating the party's belief in national, non-sectarian schools and Provincial ownership of public lands; (4) favouring the construction of the Hudson's Bay Railway by the Prairie Provinces. A Provincial Rights Association was organized with Mr. Haultain as Hon. President, J. K. McInnis as President, J. T. Brown Vice-President, H. L. Gordon Secretary and P. McAra, Jr., Treasurer.

The criminal libel suit brought by Mr. Premier Scott against Mr. J. K. McInnis, proprietor of the Regina *Standard*, early in the year was at once an outcome of the general elections and a result of the extreme party feeling which developed during the contest. It claimed damages for an article in which, just before the elections, Mr. McInnis had accused the Premier of having offered him the equivalent of $10,000 to transfer his paper, and his influence as a Provincial Rights leader, to the Liberal side in the campaign. Messrs. H. M. Howell, K.C., and N. F. Hagel, K.C., were Counsel for the Crown and Hon. T. Mayne Daly with Mr. F. H. Phippen for the defence—all of Winnipeg. In his evidence Mr. Scott gave a direct and plain report of the interview which he had with Mr. McInnis and out of which the charges arose. He described it as turning nominally upon a charter which he had been instrumental in getting through the Dominion Parliament, when a member of that body, for the Regina and Hudson's Bay Railway Co., and which he informed Mr. McInnis could now be sold for $10,000. Incidentally, he also desired to talk over the political situation with a man who had, until lately, been very closely associated with himself in party affairs. He indicated his reason for making the appointment and carrying out the interview as simply to hear what was going on in the camp of the enemy and not with any idea of drawing Mr. McInnis back to his old party lines. Any change of that kind—if possible—would have been so suspicious as to have done more harm than good.

Mr. McInnis, in his evidence, put the corrupt view of the interview forward with explicitness and his son testified that he had listened outside the door and heard the offer made as stated. There was a good deal of contradiction in details between the different witnesses and especially as to the story told by Mr. McInnis about incidents preceding the interview. The prosecuting speakers also made a point in their addresses on Mar. 3rd of the publication by him of private letters. Mr. Justice New-

lands in his address to the Jury was decidedly favourable to Mr. Scott and the verdict was given accordingly. Mr. McInnis was fined $100 and the Judge stated that the costs should also have been imposed but that the law would not permit. He would have made the fine larger but the prosecution desired vindication and not punishment. The result was claimed to be a personal and political victory for the Premier who had declared that he would retire from public life if the case went against him. On the other hand, the Conservatives claimed that the members of the Jury were all Liberals and that the verdict was really due to Mr. Howell's appeal to preserve the reputation of a youthful statesman and to prevent a new Province from being smirched by the acceptance of such charges. The Manitoba *Free Press* of Mar. 5th had the following comment on the result: "Politically, it is of more importance than the winning of half a dozen more seats in the late elections would have been; but this is not the aspect of the case that will appeal most to him (Mr. Scott). It is the vindication of his personal honour that makes the verdict precious to him. It was Mr. Scott's life for the last fifteen years in Regina that really won his case for him; his testimony was backed by a character that had been tested and was known by the community to be sterling." In another suit for libel in this connection brought by the Premier against R. J. Westgate of the Regina *West* a verdict was given of "not guilty" in favour of Mr. Westgate.

An important matter came up in connection with the election protests which must be referred to here. On May 14 Mr. Justice Prendergast handed down judgment on a point raised in the Prince Albert City protest case in which the Attorney-General's counsel claimed that the Courts of the Province had no jurisdiction in controverted election matters. The decision as thus given dismissed the protest against Hon. Mr. Lamont's election and the immediate result was that all pending protests in the Province would be disposed of without trial unless the judgment should be reversed on appeal to the full Court. The Judge had delivered an elaborate opinion stating that as the Saskatchewan Act had not distinctly retained the Territorial legislation regarding elections in force it was not then in operation and no Court in the Province had the right to hear and determine election petitions. This precipitated a keen political discussion as to the 19 seats under protest and the results which would follow either the confirmation or dismissal of the decision. It also seemed possible that if the Controverted Elections Law was not binding on the Province neither was the legal position of the present Legislature safe. The case came before the Supreme Court in October (including Chief Justice A. L. Sifton and Justices E. L. Wetmore, D. L. Scott, H. W. Newlands, and Horace Harvey) with Mr. F. W. G. Haultain acting for those who desired the decision quashed and Mr. C. P. Wilson for the sustaining of the judgment.

Mr. Haultain in his elaborate argument contended that if the Act was not in force then the late general elections were improperly held and the Province was in a position of chaos. Mr. Wilson's chief contention was that this and every Province had the basic constitutional right to make its own election laws and, under present conditions in Saskatchewan, it was to be assumed that the Dominion Government had done this for them. The judgment as rendered on Oct. 22nd decided by the majority opinion of Chief Justice Sifton and Justices Newlands and Harvey that the Controverted Elections Law of the Territories was not in force; that the Courts could not, in consequence, try election protests; and, practically, that all the pending protests were disposed of as was the specific one against Hon. Mr. Lamont. Mr. Justice Prendergast's view was, therefore, upheld. There were various technical differences amongst the Judges but Mr. Justice Wetmore was the only one who held that the reference in the Saskatchewan Act to "all the provisions of law with regard to the election of members" should be broadly construed to include the Controverted Elections Act. Mr. Speaker MacNutt told the Regina *Standard* (Oct. 30) that the Legislature at its next Session would, presumably, enact a new law.

Educational matters were not largely discussed in Saskatchewan during the year though an important move was made by the Government on June 21st in the gazetted appointment of an Educational Council composed of Messrs. William Grayson of Moose Jaw, W. R. Sparling of North Battleford, T. H. McGuire of Prince Albert, A. H. Smith of Moosomin and Rev. David Gillies of St. Andrews. Speaking to the press on Feb. 19th Hon. J. A. Calder, Minister of Education, stated that schools were multiplying rapidly and that many school districts were being organized. Difficulty was found in procuring teachers but there were 100 students at the Normal School in Regina who would nearly all take up that profession. In the Legislature on May 22nd Mr. Calder asked for $289,800 to be expended on Education and stated that at the inauguration of the Province on Sept. 1st, 1905, there were 896 schools in Saskatchewan; that 46 were added up to Jan. 1st, 1906; and that there were at date 1,092 in existence. At the meeting of the Presbyterian Synod for the Province on Nov. 12, at Regina, a Committee was appointed to consider and report upon the project of a Provincial University. Efforts were made during the year, and well advanced, for the establishment of an undenominational institution at Moose Jaw to be called Saskatchewan College.

First Session of the Saskatchewan Legislature

The 1st Session of the first Legislature of Saskatchewan was opened on March 29th by Lieut.-Governor A. E. Forget with the ceremony befitting an historic occasion. Mr. Thomas MacNutt, member for Saltcoats, and a member of the former Territorial Legislature since 1902, was unanimously elected Speaker. Mr. W. C. Sutherland of Saskatoon was afterwards

appointed Deputy Speaker. The Speech from the Throne referred to the establishment of the new Western Provinces and the inaugural ceremonies which had been honoured at Regina on Sept. 1, 1905, by the presence of the Governor-General, the Dominion Premier and other distinguished guests; to the kindly welcome accorded the new Province by the Dominion in general and to the formation of the new Government; to the recent visit of Prince Arthur of Connaught and the loyalty of the people of Canada to the King; to the prosperous conditions prevailing throughout Saskatchewan, the rich results of the recent harvest of 26,000,000 bushels of wheat as compared with 16,000,000 bushels threshed in 1904-5; to the assumption by the Province of the Dairy work until then carried on by the Federal Department of Agriculture and the intention of the Government to exert every effort for co-operation and education along similar lines; to the rapid and beneficial Railway expansion of the period, the continued and rapid settlement of the country and the Government's intention to facilitate immigration wherever possible; to the fact that Territorial laws existing before the creation of the Province would remain in force until amended and the Government's intention to have them all revised and consolidated at an early date; to the necessity for immediate legislation regarding the Executive and the Departments of the public service; to the numerous applications for Railway charters and to promised legislation relating to real property, public libraries, coroners, police, etc.

The Address in reply was moved on Apr. 2nd by Mr. D. B. Neely and seconded by Mr. J. A. Sheppard. The former congratulated the Government upon the special experience of the Minister of Agriculture and suggested the establishment of a Bureau of Information regarding the Province; thought provision should be made for ameliorating the conditions of new-comers in the Province who might find themselves without sufficient means to await a first harvest; urged a generous policy in relation to Hospitals and the establishment of an efficient Provincial Board of Health, with local health officers in each and every incorporated town and village; supported the Hudson's Bay Railway project; and declared good and wise legislation to be better than mere party considerations. Mr. Sheppard pointed out that there were still 73,000,000 acres of partially settled land in the Province and that everything should, therefore, be done to increase the population of the country and the consequent productiveness of its soil. He hoped an Agricultural College would soon be established; urged that encouragement of higher education be given and hoped the Government would make some use of a deep-well sinking machine to locate water in various parts of the Province. Mr. Haultain, as Leader of the Opposition, followed in a vigorous arraignment of the Government for its alleged subserviency to the Ottawa authorities and its condonation of corrupt methods

in the recent elections as, particularly, shown in Prince Albert. He would have liked a more definite pronouncement of policy regarding the Hudson's Bay Railway project and criticized the absence of any reference to Mechanics' Liens, to the establishment of Courts of Justice, to the C.P.R. exemption and to what, he believed, should be Provincial taxation of that Railway, or to amendments improving the Elections Act. The people were, he claimed, greatly dissatisfied with the Autonomy Act in its settlement of the Schools question and its withholding of the Public lands.

On Apr. 3rd the Premier replied at length. He challenged the Opposition to name a single person who came into the Province to work on the Liberal side in the election except from Manitoba and Alberta; he claimed that the guilty persons in connection with the Prince Albert election had been arrested, tried and punished; pointed out that the constituencies of Battleford, Redberry, Rosthern, Yorkton, Humboldt and Saltcoats gave Liberal majorities aggregating more than the whole of the majorities recorded in the Province for the Opposition candidates but had not been protested for the corrupt practices which were said to have won the election; denied that the Government had won through carrying the "back settlements" and pointed to Regina, Lumsden, Rosthern and other places as proof to the contrary. He then turned upon the Opposition in vigorous language and declared that "the Liberals did not employ reputed assassins of private character; they did not forge a signature to a document and represent it as coming from a Roman Catholic Archbishop to his flock;* they did not use mangled and garbled extracts from confidential letters to misrepresent their opponents' intentions; and they did not take speeches made by a stranger and attribute them to the Leader of the opposing party. Opposition policy was summarized in the form of an elaborate amendment to the Address presented on April 6th by A. B. Gillis and J. H. Wellington. It may be condensed as follows:

1. Regret that in the establishment of the new Provinces "the important principle of absolute equality amongst all the Provinces of the Dominion" had not been adhered to—notably in regard to lands, timber and the minerals therein together with Legislative jurisdiction in matters of education and taxation.

2. Statement that the people unanimously believed it to be only fair, just and proper that control of the resources mentioned should

* NOTE—In this connection and as to a statement, quoted in *The Canadian Annual Review* for 1905, that Archbishop Langevin read or ordered to be read in some of his Churches, a *Mandement* relating to the elections, Mr. Scott wrote the Author of this volume under date of Aug. 26, 1906, as follows: "To the best of my knowledge and belief, the statement is not true. Archbishop Langevin himself has said that he merely did what was required to make Roman Catholics acquainted with his opinions, and that he did not in his capacity as Archbishop give any instructions or orders to his people as to how they should vote. I hold pretty strong views myself against clerical interference in politics, but I admit the right of every citizen to make known his convictions. Condemnation of coercion of employees does not mean that an employer does wrong to hold and express political opinions. In our Session last spring I asked for evidence to support the charge of undue interference by the Archbishop. I declared that the charge was groundless; that no order was issued to the Roman Catholics of the Province; and that the famous 'Memorandum' was not read in any pulpit and contained nothing more than an expression of abstract opinion. No denial of my declaration was attempted."

have been placed in their hands and compensation granted for the public lands in the Province alienated for Federal purposes which in Territorial days were, and should only have been, held in trust by Parliament.

3. Declaration that the public lands of the Province could be more efficiently and satisfactorily managed by the Province than by Canada and that there was no good reason in this case for a departure from the principle of the Confederation Act.

4. Dissent from the principle of a money grant in lieu of lands; claim that compensation offered in that form by the Saskatchewan Act was unfair and inadequate; and regret that the Provincial Government had expressed no intention of establishing the claims of the Province in this respect by way of the Courts.

5. Declaration that "we view with alarm the insidious attempt made to bind upon the people forever a system of education which separates instead of unites, which estranges instead of harmonizes, and which is based on principles of privilege instead of equality."

6. Refusal, within constitutional limitations, to accept any interpretation of the constitution which thus deprived the Province of the right and power to establish National schools—until the opinion of the Judicial Committee of the Privy Council be taken.

7. Regret that His Honour's Speech contained no reference to the Hudson's Bay route or intimation of any action by the Government vindicating the constitutional right of the Province to tax all classes of property, equally, by removal of the C. P. R. exemption.

After a vigorous debate the amendment was rejected on Apr. 9th, in the first division of the Session and the Legislature, with a vote of 13 to 7 and the Address was passed on the following day without a further division; after speeches from Dr. D. D. Ellis and Mr. J. T. Brown of the Opposition and Hon. J. A. Calder and Hon. J. H. Lamont of the Government. In the course of Mr. Brown's speech he intimated that the Langevin letter, or memoranda, or whatever it might be termed, had been of substantial service to the Provincial Righters in the campaign; that if he was assured of Federal administration of public lands solely in the interest of the settlers he would not object very much to the money grant in lieu of the lands; that he regretted having to differ from his old-time Liberal associates and felt his position to be somewhat anomalous in view of the Premier's statement that he would not object to a reference of the constitutionality of the School provisions of the Autonomy Act to the Privy Council; that if the principles for which he stood were put in practice by the Government he would by the force of logic be compelled to withdraw his opposition.* Mr. Lamont, Attorney-General, defended the position of the Government as to the various election charges. With regard to the Regina city election he said that the closest investigation had failed to show that any irregularity had taken place and the Provincial Rights candidate himself had stated that he could not make a charge against any one person. As to the allegations made with regard to Battleford the Opposition candidate had replied to his request for information by saying he could give none. The only other constituency in which irregularities were alleged to have taken place was Prince Albert

* NOTE—Winnipeg *Free Press* Report. April 14, 1906.

District, and in that case the three deputies had been fined. The Returning Officer had been committed for trial, the elected member had resigned, and the Provincial Rights candidate was claiming the seat.

Following this debate an adjournment took place until Apr. 23rd when much legislation was presented and rapidly carried through the House. Bills respecting public works, local improvements, public printing, steam boilers, land titles, Executive and Legislative bodies, Government House and Departments, the establishment of free public libraries upon a by-law carried by a three-fifths majority, the incorporation of the cities of Regina and Saskatoon, were introduced by, in most cases, members of the Government, discussed or not discussed at all, and passed into law. In discussing the Legislative Assembly Bill Mr. Haultain suggested that members accepting office in the Government should not have to return to their constituents for re-election but the Premier would not accept the proposal. The question of a Sessional indemnity to members aroused some controversy. A measure introduced by the Premier on May 1st placed it at $1,000; it had been $500 in the Territorial Legislature. The mileage or railway allowance was put at 5 cents per mile. Mr. Haultain moved an amendment in Committee that the amount be $700 and this was defeated, finally, by the casting vote of the Chairman—Mr. W. C. Sutherland. The Premier said the Government was not committed to any definite sum and he wanted the matter settled by the members themselves; though he did not think $1,000 too large in view of the loss of time and expenses to which they were put. The Opposition voted solidly for the smaller amount and were supported by Messrs. Calder and Lamont of the Government and J. D. Stewart, one of the Liberal members. The Premier and ten of his supporters voted against it. Mr. Haultain pointed out in his speech that in Ontario and Alberta the indemnity was $1,000; in Quebec and British Columbia $800; in Manitoba $600 and Nova Scotia $500; in New Brunswick $300 and in Prince Edward Island $250. Mr. Scott stated that the recent increase at Ottawa in this connection had been forced on by the Western members who had such immense distances to travel.

The Hudson's Bay Railway project was discussed on May 1st when Mr. J. D. Stewart moved a Resolution declaring its construction " necessary for the commerce of Canada and for the full development of the agricultural and other resources of the Dominion "; that it should be undertaken without loss of time by the Government of Canada; that the Legislature viewed with gratification the recent statement of Sir Wilfrid Laurier (April 3, 1906) along this line; and accepted with commendation the assurance of the Provincial Government that it was urging the project upon further Federal attention. Mr. Premier Scott said that he had personally presented this matter to the Federal

Premier and to Hon. Mr. Brodeur and that Hon. Mr. Oliver had made a definite statement " that he had reasons for the assurance that the Dominion Government would undertake to secure the construction of the road." Mr. Haultain was not opposed to national construction of the road but he did not believe such action was intended and that the more practical policy was the combination of the Western Provinces in immediate co-operation. The Resolution carried unanimously as did another on May 3rd appealing to the Dominion Government to re-adjust the present grades of wheat, as established by the General Inspection Act, so as to " permit of a larger percentage of the best wheat entering into the highest grade and thereby removing the very erroneous impression that Western Canada is not capable of growing more than a very small percentage of No. 1 hard wheat—an impression entirely due to the unreasonably high standard set up by the Act and not to the quality of the wheat grown or to the capabilities of the country producing it." Moved by Hon. W. R. Motherwell this Resolution aroused some discussion but was eventually passed unanimously.

On May 10 Mr. William Grant presented and carried, without division, a Resolution repudiating the statements made in Professor Mavor's Report to the British Board of Trade as to Western wheat-growing resources. The Report was declared to be misleading and damaging in its effects and the data given as " not in accordance with the well established facts as to climate, soil, arable area and the actual conditions of agriculture." To this Professor Mavor replied in a letter addressed to the Speaker and pointing out that the conclusions come to in the Resolution were " based upon a series of misapprehensions." He denied that either the opinions or figures adduced in the Resolution could be found in his own Report; declared that he had made no personal statement as to " limit of production "; and pointed out that he had quoted estimates without assuming responsibility for them. He added that figures for the West and for the whole of Canada were confused in the Resolution.

The question of a Capital was one of the most interesting issues before the new Legislature and one which came most directly home to many of its members. Regina expected the honour for many and obvious reasons—the fact of provisionally holding it and of having been the seat of Territorial legislation for many years being the strongest. Moose Jaw wanted it and passed strong Resolutions in its Board of Trade and City Council and entertained the Members of the House on Apr. 24th. Saskatoon made vigorous efforts by Resolutions, deputations and political influence, with arguments looking to its general progress, position of pre-eminence in the great hard-wheat valley of Saskatchewan, beauty of place and surroundings, rush and convergence of railways toward it as a centre. Prince Albert had a desire for the honour of being the hoped-for and future centre of the Pro-

Flour Mills at Winnipeg, Manitoba, of the Ogilvie Milling Company, 1906.

vince in days of greater development and Mayor J. E. Bradshaw did what he could to attain the object. The Legislature paid visits to both of these towns, also, during the Session. Finally, on May 23rd, Mr. Premier Scott announced the Government's decision in favour of Regina and, despite an amendment by Mr. W. C. Sutherland in favour of Saskatoon, the choice was approved by 21 votes to 2. The Opposition Leader supported the Government in this choice but criticized it for not coming to a decision sooner and thus saving much of agitation, trouble and suspense to the different rivals.

An important point was brought up by Mr. Haultain on this date when he presented for 2nd reading his Bill declaring the Controverted Elections Ordinance of the Territories to have been in force in the Province since Sept. 1, 1905. If, as Judge Prendergast had intimated in the Prince Albert decision, there was a defect in the Saskatchewan Act and the law in question did not apply, as was the Federal intention and the present supposition, it would leave the Province without an Election Act and without machinery to deal with the 19 pending protests. The Attorney-General opposed action until a Court *en banc* had passed upon Judge Prendergast's decision and the Bill was defeated by 14 to 8 votes. On motion of Mr. W. C. Sutherland the House on May 22nd discussed a Resolution dealing with the Saskatchewan Act or Federal "Autonomy Bill" as the public had become accustomed to call it. After describing the Act as having established the Province and been approved by its people in a general election the motion proceeded to say that: "Whereas, nevertheless, doubts have been and are expressed by a political party respecting the constitutionality of certain of the provisions of the said Act; and whereas it is desirable that these doubts should be removed and that the constitutionality of the said Act and of the several provisions thereof should be finally determined"; an Address should therefore be presented to the Governor-General asking that steps be taken to submit the question of constitutionality to the Judicial Committee of the Privy Council. Mr. J. T. Brown moved an amendment changing the reference to "a political party" into more general terms and adding the word "forthwith" in the sentence referring to the Governor-General's action. After some discussion this was voted down by 13 to 8 and the original motion carried on the same vote reversed.

During the Session various other incidents occurred. Resolutions were passed presenting an Address to His Majesty the King, thanking him for his message of Sept. 1, 1905; expressing regret at the death of Thomas Tweed, a prominent Conservative and pioneer of the Territories; asking the King and Queen to visit Canada and expressing loyalty to the Throne; urging the Dominion Government to grant an investigation into the claims of the retired servants of the Hudson's Bay Co., and their descendants, in connection with Lord Selkirk's lands and deeds. Upon

a proposal to grant $2,500 to the Western Canada Immigration Association (May 21) a good deal of opposition was shown and the vote was only carried in Committee by ten to nine. In the House it passed by 14 to 8 votes. On April 23rd the House voted $5,000 to the San Francisco Relief Fund. A general measure dealing with railways was passed on the Attorney-General's initiative providing that 30 miles of line must be constructed within two years of the granting of a charter and the road completed within five years; that companies must fence both sides of all railways irrespective of adjoining fences; and taking power to expropriate any railway under a Provincial charter and to carry on the same in the interests of the Province. Otherwise the Bill was based upon the Dominion Act. It was opposed, in part, by Mr. Haultain who, on May 25th, moved an amendment declaring the subscribed and paid-up capital, required, to be insufficient as a guarantee of good faith and capacity in the promoters of companies; that the fencing clauses were not sufficient protection to cattle running at large; and that no adequate provision was made for the prevention of forest and prairie fires by compelling maintenance of fire-guards, etc. Some of his suggestions were accepted by the Government.

Other legislation passed included Acts respecting Agricultural Societies, noxious weeds, the speed and operation of motor vehicles, assignments and preferences by insolvent persons, the medical profession, the dental profession, the Mechanics' Lien Ordinance, the incorporation of the Saskatchewan Central Railway Co., the Moose Jaw and Suburban Railway Company, the Saskatchewan Insurance Company, the Canada Central Railway Co., the Regina and Saskatchewan Railway Co. On May 25th Mr. Haultain moved a motion of censure upon the Government because (1) the salaries paid to Ministers and the elaborate machinery of government proposed to be created were alleged to be out of proportion to area and income; (2) the cost of legislation was unnecessarily large and the grant to the Western Canada Immigration Association not warranted; (3) the R.N.W.M. Police Force should be maintained by the Dominion and the expenditure of $75,000 was, therefore, unwarranted. The Resolution was lost on a strict party vote of 14 to 8 and, on the following day, the Legislature was adjourned after passing 64 measures and laying the foundations of Provincial government and administration.

Saskatchewan Finance and Budget in 1906

The revenue of the North-West Territories for the calendar year 1904, and including the future Provinces of Saskatchewan and Alberta, was $841,846 of which $682,934 came from the Dominion Government; in 1905 (8 months) it was $1,026,331 of which $848,449 came from the Dominion. The total expenditure in 1904 was $1,121,126; in 8 months of 1905 it was $1,026,331. The statement of the Dominion Liquidator of the

North-West Territories from Sept. 1st, when the new Provinces came into existence, until Nov. 24, 1905, showed receipts of $396,932, of which $370,954 was from the Dominion. Expenditures were $396,932. The Provinces, therefore, started with a clean sheet.

The Budget speech of the Hon. J. A. Calder was delivered on May 16th. According to this address and the supplementary estimates of a few days later, the requirements of the new Province for 14 months ending Feb. 28, 1907, were $2,067,567. In addition to this the sum of $118,601 had been expended under Warrant in the four months ending Dec. 31, 1905. Of the main amount Civil government, including salaries and Departmental expenses, called for $142,846; Legislation $59,880; the Administration of Justice $253,940—including maintenance of police, prisoners and insane; Public Works $895,625; Agriculture $142,775, including $80,000 to the Dairy industry of which the greater part would be recouped from the sales of milk and cream; Hospitals, charities and public health $25,500; Education $289,000; miscellaneous $257,200, including $120,250 for maintenance and other expenses of public buildings. The expenditure upon public works was naturally large in a new Province and it included $150,000 for the construction of steel bridges, with concrete foundations, at Saskatoon, Battleford and Prince Albert, which were to ultimately cost $350,000; the expenditure of $125,000 upon the construction of a number of smaller bridges throughout the Province; the application of $100,000 for road improvements and of $80,000 for the maintenance of existing bridges. A first installment of $45,000 was paid for the Dominion buildings taken over and $140,000 was allotted for purchase of sites and commencement of work on the new Legislative, Departmental and Land Titles buildings at Regina.

Mr. Calder dealt at length with the liberal terms granted to the new Provinces in 1905; compared the revenues given them with the grants accorded to others on entering Confederation; declared that the terms accorded were actually better than those demanded in Mr. Haultain's proposed draft bill of 1901; and claimed the Province to be in a most satisfactory financial condition. Mr. Haultain, in his reply, dealt chiefly with the control of public lands which, he argued, should have been left in the hands of the Province and contended that Mr. Calder was incorrect in concluding that the Dominion grant, in lieu of this control, was a profitable bargain. Accepting an estimate that there were 16,000,000 acres of saleable public lands south of Prince Albert he figured that six million acres could be sold at $3 an acre, producing $18,000,000. "The interest on this would exceed the present grant in lieu of lands until the population reached 800,000, though this would be counter-balanced by the increase given under the Saskatchewan Act when the population was between 800,000 and 1,200,000. By the time the latter

figure was reached, however, the other 10,000,000 acres would be worth sufficient money, at least thirty million dollars, to provide a large revenue." Mr. Premier Scott followed in an exhaustive reply which went elaborately into the questions connected with the grant of Autonomy and the various advantages claimed for the Province under existing conditions.

Prince Albert Election Case and the Judiciary of Saskatchewan

Probably the most bitter element in the political controversies of this Province during the year was that interjected into them by this case and its treatment in the Courts. The decisions came in for some severe general criticism and some denunciation of a purely party character outside of the Province; with a press judgment upon the Judiciary which could not always have been based upon close knowledge of local or legal conditions. The original situation was that in the general elections of Dec. 13, 1905, the candidates in the wide-spreading, sparsely populated, voting district of Prince Albert, in the north of the Province, were Dr. P. D. Tyerman, Liberal, and Mr. S. J. Donaldson, Provincial Righter; that the Returning Officer was James Sinclair; that a few days before the election the latter ordered three new polls to be opened some 300 miles to the North (one of them was afterwards proved to be in the District of Battleford) and sent R. McLeod, John Nelson and C. J. Sutherland to attend to this and to act as deputy returning officers; that Mr. Donaldson only received his notice of these polls being opened four days before the election; that about ten days after the election these deputies returned with ballot boxes containing 151 ballots, all marked for the Liberal candidate, and which were proved beyond question to be forged papers; that Mr. Donaldson had, after all revisions, 56 majority but that these ballots were accepted by Mr. Sinclair who declared Dr. Tyerman elected by a majority of 95.

The Opposition had, meanwhile, been watching the situation closely; affidavits were obtained showing that these men had never reached the polling places in question; and at Prince Albert on Jan. 20 charges were laid against Nelson and Sutherland who pleaded guilty before two local magistrates and were fined $200 and costs each, or six months' imprisonment. The third man had not yet been found. Further investigation was at once demanded. Mr. Donaldson told the press at Regina on Jan. 23rd that there had been a carnival of corruption in the North; the far-away Toronto *Globe* of the 31st urged the Scott Government to take severe action against those who were guilty in this case and in any other which might develop; some of the comments of Mr. Haultain's press supporters were vehement in their language. Then came the recount on Feb. 17 before Mr. Justice J. E. P. Prendergast who had, prior to holding this position, been for years upon the Supreme Court of the Territories. He decided that under the law as it existed he had nothing to do with the

source of the ballots or their genuineness and no function to perform excepting the counting of those that he found in the ballot boxes. He, therefore, declared Dr. Tyerman elected. Criticism of this decision was to be expected and it came swiftly and sharply. The local Conservative press, in the main, denounced it and some outside papers were vigorous in their expression of opinion—notably the Toronto *News;* Hon. Mr. Rogers and others in the Manitoba Legislature used strong language as did Conservative speakers in the Parliament at Ottawa.

Upon the other hand a Conservative paper such as the Regina *West* declared that Judge Prendergast could not have done otherwise in the case as presented to him; Mr. Donaldson, himself, resented in the Prince Albert *Times* any reflection upon the Judge's integrity; in Court at Prince Albert, on Feb. 27th, Mr. James McKay, K.C., a leading Conservative lawyer, referred to these attacks with regret, apologized for them as unfair and abusive and expressed entire confidence in His Honour's personal character and judicial honesty; Mr. F. W. G. Haultain took very similar ground—to which the Winnipeg *Telegram* replied that if the Judge was right in his reading of the statutes and Mr. Haultain correct in his statement that such a reading was technically necessary—then Mr. Haultain reflected upon himself as the parent of these Acts in Territorial days. Meanwhile, Dr. Tyerman was in Toronto and on Feb. 20th intimated to the press that he had the previous day mailed his resignation of the seat and was heartily sick of politics and its atmosphere of innuendo and suspicion. The Opposition in Saskatchewan at once claimed that this action was taken so as to prevent Mr. Donaldson being awarded the seat under further action before the Courts and to compel him to undergo another election. On Mar. 15th, however, the resignation could not have reached the Government as Dr. Tyerman was gazetted at that date member for Prince Albert. He did not, however, take his seat.*

The trial of Sinclair, the Returning Officer, commenced on Mar. 9th before Mr. T. J. Agnew, J.P., of Prince Albert, on a charge of conspiracy in being a party to the ballot-box frauds and, despite a protest from his Counsel that the case could not be tried under the Criminal Code, proceedings were continued. On Mch. 26th, after adjournment, Mr. Norman Mackenzie of Regina, acting for Sinclair, argued that the action had not been brought under the proper section of the Code and waived a point previously raised as to two magistrates. Mr. A. E. Doak appeared for the prosecution and the Magistrate finally stated that he was not a lawyer but would take a common-sense view and proceed with the case. Mr. A. Turgeon appeared for the Ottawa Department of Justice and protested against unnecessary delay; Mr. Doak complained that Moberly, one of the witnesses called, had disappeared

* NOTE—On April 2, 1907, by Order of the Legislature and upon the initiative of the Government Mr. S. J. Donaldson was declared elected as member for Prince Albert.

as had the one-time Deputy Returning Officers; the Magistrate had a controversy with Mr. A. Stewart, Editor of a local paper, which ended in a demand for an apology or committal of the Editor for contempt of Court; the defendant refused to say anything in the matter at present and the Crown waived further examination while admitting sufficient evidence to warrant committal for trial. This the Court at once did allowing bail at $3,000. On Mch. 27th Mr. Agnew was removed by the Provincial Government from his post as a Justice of the Peace—the Attorney-General stating that many complaints had been made against that gentleman for improper conduct in the performance of his duties. These were formulated in a petition sent to Hon. Mr. Lamont during the trial and signed by various prominent citizens; it was also stated that an investigation would be held regarding the charges. This inquiry commenced on Nov. 23rd following before Mr. Frank Ford, Deputy-Attorney-General, and Mr. Supt. Begin of the R.N.W.M. Police, who had been appointed Commissioners. Some curious evidence was given. Incidentally, it appeared that Mr. Agnew was a Liberal, or claimed to be one, and a supporter of the Scott Government. The matter was not disposed of at the close of the year.

The Sinclair case, itself, came before Mr. Justice Prendergast, and a Jury, on June 6. Technical objections were made but these the Judge brushed aside. It appeared in Mr. Donaldson's evidence that Dr. Tyerman and H. J. Moberly were those who had asked Sinclair to open the three northern polls. Moberly was afterwards clerk and guide to the three men sent north. After consideration of the case the Jury returned a verdict of guilty; Sinclair's counsel obtained a stay of sentence until the full Court could be appealed to on the ground that the offence was a political crime and not a civil one; and the prisoner went free on his own bail of $2,000. On Oct. 10 the charge of conspiracy against Sinclair, or of having with Nelson, McLeod and Sutherland tried to defraud Mr. S. J. Donaldson of his seat; to defraud the electors of the Prince Albert constituency; and to defraud the public by the election of Dr. P. D. Tyerman; was heard before the full Supreme Court of the Province. Mr. Norman Mackenzie appeared for the defence and made a carefully technical appeal. Mr. E. L. Elwood acted for the prosecution who wished Judge Prendergast's conviction to stand. On Oct. 19th Mr. Justice Wetmore rendered the decision of the Court and its five Judges quashing the conviction on technical grounds.

The usual political criticism followed this decision—the Winnipeg *Telegram* being specially vigorous in its comments. To its editorial of Oct. 31st Mr. Premier Scott wrote in reply that insulting references to the Provincial Supreme Court and false statements regarding it did not constitute criticism; that he had not, as was alleged, expressed a personal opinion on the judgment; that Mr. Justice Wetmore had been originally appointed to the Territorial

Bench by Sir John Macdonald; that Sinclair was not one of the guilty north-poll deputies, nor was he at those polls, nor had he been accused of ballot-stuffing as was now alleged in party papers. So far as Sinclair was concerned it may be added that on Nov. 10 he came before Judge Prendergast and was duly discharged in accordance with this decision. A collateral matter was the charge that Moberly, the northern poll guide, had been taken into Federal employ as assistant to one of the Census Commissioners up in the same country. It was brought up in the Commons on July 8, and the Minister of Agriculture said that if such was the case the man would be at once dismissed. A message was at once sent to Prince Albert to this effect and the Minister's orders carried out. Prior to this on June 12 Moberly had been tried before two Magistrates at Prince Albert on the charge of writing names in the poll book with the word "voted" following. He pleaded guilty and was fined $100 and costs.

Government and Political Affairs in Alberta

The politics of Alberta were mild in character and the incidents of public life not particularly striking during 1906. The Government's majority of 23 to 2 prevented much active controversy although there were several bye-elections held. Out of the General Elections of Nov. 9, 1905, a dispute arose as to who was properly elected in Peace River where the distances were enormous, population sparse and travelling difficult. Mr. W. F. Bredin, Liberal, was elected by acclamation in Athabasca; a new writ was issued in Peace River and an election held on Mar. 5th. Mr. T. A. Brick, Ind. Liberal, was elected by 92 majority over his opponent, Mr. J. K. Cornwell, who had previously been a candidate against Lucien Dubuc, Liberal. Early in the year Hon. L. G. DeVeber, M.L.A., Minister without Portfolio, having resigned to accept a seat in the Senate, an election was held at Lethbridge on Apr. 12th with W. C. Simmons as the Liberal candidate, F. H. Sherman, Labour, and A. E. Keefer, Conservative. Mr. Simmons obtained 543 votes with 463 and 231, respectively, given to the other candidates. In Vermilion, vacated by Mr. M. McCauley, on appointment as Warden of the Edmonton Penitentiary, J. B. Holden, Liberal, was elected by acclamation on July 16th. Another vacancy occurred in Gleichen owing to the appointment of Mr. C. A. Stuart to the Supreme Court of the Province and on Dec. 7th E. H. Riley, Liberal, was elected over W. L. Walsh, K.C., Conservative, by 560 to 435 votes. The chief Government appointments of the year included Mr. John R. Cowell, President of the Red Deer Board of Trade and Editor of *The Albertan,* as Clerk of the Legislative Assembly; Mr. J. E. Richards of Edmonton as Government Printer; Mr. Christian P. Marker of Calgary as Dairy Commissioner; Mr. J. H. Grierson of Calgary as Provincial Inspector of Mines; Mr. Norman Fraser of Edmonton as Superintendent of Telephone Construction.

The Government policy was one of quiet work along con-

structive lines. Much legislation was, of course, necessary and public departments, institutions, buildings, and a general system of administration had to be built up in a myriad details. Mr. Premier Rutherford and Messrs. Finlay and DeVeber had some experience in the old Territorial Assembly but most of the members in the new House were without experience. The Opposition consisted of Messrs. A. J. Robertson and C. Hiebert and in the bye-elections a prominent part was taken by M. S. McCarthy, M.P., W. L. Walsh, K.C., of Calgary, and W. C. Ives of Lethbridge. Early in the year Hon. W. H. Cushing, Minister of Public Works, was in the East and told the Winnipeg *Free Press*, of Jan. 8, that there was a lot of work ahead for his Department. "After the selection of a permanent capital the erection of Legislative Buildings and a Government House would become necessary. These buildings would be on a scale in keeping with the future of the Province. They would cost a good deal but there was a grant from the Dominion to assist in this work, amounting to $93,000 a year for a period of five years. Besides these buildings there was to be a Normal School at Calgary and a Registry Office."

To a correspondent of the same paper on May 19th Hon. W. T. Finlay, Minister of Agriculture, gave a review of the Government's policy in relation to the development of the great ranching and agricultural interests of the Province and the education of the people in profitable methods of farming, cattle-raising, horse-breeding and poultry production. For instance, in the creamery business, Mr. Finlay pointed out that the milk producers formed Associations. If the latter were financially able to build creameries the Government would operate them on their behalf. "If they are not able to put in the machinery at their own expense, we equip the creamery and the money is repaid to us by deducting one cent per pound off their butter. They deliver the cream to the creamery, we make it into butter, send it into the cold storage and sell it in the best market we can find, deducting for the Government four cents per pound for manufacturing." A cold storage building was maintained at Calgary and butter was sold stamped with a Government guarantee of uniformity in quality. A travelling dairy system had been established and an active campaign in Farmers' Institute organization and work would be carried out. As to general resources and individual methods of developing them Mr. George Harcourt, B.S.A., Deputy Minister, gave much detailed information on the same occasion. In this general connection Hon. Mr. Cushing told the Ottawa *Free Press* on May 26th that there were probably 9,000 square miles of good farming land north of Edmonton and as much to the south.

In Ottawa, on June 7th, the Hon. Mr. Rutherford stated that a progressive policy in Education was being pursued; that the dairy industry was developing rapidly with 20 Government

creameries and 7 new ones so far in the year; that great satisfaction was felt over the retention of the Royal North-West Mounted Police in the Provinces under an arrangement by which the Governments of Alberta and Saskatchewan each agreed to pay $75,000 a year for the next five years. A good deal was said as to the new Legislative buildings. Hon. Mr. Cushing told the Winnipeg *Free Press* of Dec. 14 that they would cost $1,000,000 and would be built of native stone. He was then on his way to see similar buildings at the capitals of Minnesota and Wisconsin and perhaps of other States. The taxation of railways policy of the Government was an important incident—more especially of the Legislative Session. Speaking at a Claresholm banquet on Feb. 8 Mr. Malcolm Mackenzie, M.L.A., strongly urged the finding of some way to get around the C. P. R. exemption upon its original and main lines, its rolling stock, moveable property, capital stock, etc. "I believe it is within the power of the Legislature of the Province to pass legislation compelling this corporation to pay the Province taxes on its gross earnings within the Province, and if it is within our power to do so it certainly is our duty to the people of the Province to pass such legislation at the earliest possible moment. A statute creating an exemption from taxation is a statute which naturally increases the burden on certain classes of people by reducing it on others, and our Courts construe such a statute strictly." If the Courts failed to support the suggested legislation he would tax the branch lines of the C. P. R. which could claim no Federal exemption. Early in the year the Government was urged to take action along the lines of Telephone ownership or control and public opinion was found to be very greatly in sympathy with the legislation finally proposed and passed.

A question not so readily disposed of was the alleged beef monopoly, or combine, under which it was claimed that P. Burns & Co. of Calgary, practically controlled the beef industry of the West. The Calgary *Herald* of Aug. 3rd said: "This may or may not be true. It is certain that smaller firms have been absorbed by the larger beef interests of this country. It is also certain that this has been done by under-selling with the object of running the smaller men off the market. It has been said that the larger dealers of the West receive a decided advantage in freight rates, and that in the outside markets the small men are not in a position to compete. In securing the refrigerator cars, moreover, the P. Burns Company have an advantage because they have their own sidings, are always prepared to take a car, and can ship in bulk." Similar conditions prevailed, or were said to prevail, in Manitoba, Saskatchewan and British Columbia and the Inter-Provincial Commission already referred to in connection with Saskatchewan was gazetted on Oct. 12 by the Government of Alberta. According to report the Western stock-raiser toward the close of the year received from 2¾ cents to 3¼ cents

per pound for his cattle while the consumer of meat paid from 12 to 18 cents per pound. To find the cause of such discrepancies was the work of the Commission.

Meeting at Strathcona in its first annual Convention on Feb. 2nd the Alberta Farmers' Association elected Mr. D. W. Warner President and passed Resolutions asking (1) for the Seed Grain Show at Edmonton on Feb. 12; (2) for legislation establishing a Provincial chilled beef and canning concern managed on the same lines as the Government Creameries; (3) for Dominion legislation to prevent the improper sale and use of bluestone and formaline as a preventative of smut in grain; (4) for the rescinding of Section 61 of the Manitoba Grain Act affecting the shipment of wheat to the Pacific coast; (5) for a Dominion Government elevator at some suitable point on the Pacific coast; (6) for a Provincial Herd law to go into force by a two-thirds vote of ratepayers.

The First Session of the Alberta Legislature

The 1st Session of the first Legislature of the new Province of Alberta had functions to perform and work to do of the same character and measure of importance as was the case in Saskatchewan although there was a comparative absence of political bitterness and of controversy regarding electoral corruption. There was plenty to do and the Legislature did it with speed and despatch and without much attention to technicalities. It was opened on Mar. 15th by Lieut.-Governor G. H. V. Bulyea with a Speech from the Throne—after Mr. C. W. Fisher of Banff had been elected Speaker—which described the obtaining of Provincial Autonomy as a matter of pride to the people; expressed gratitude for the bountiful harvest of the past year and the loyalty and devotion of the people to King Edward and the Queen, together with appreciation of the coming visit of Prince Arthur of Connaught; welcomed the settlers who were pouring into the Province, referred to the high standard being maintained, and promised every support to an increased immigration; referred in particular to the progress of agriculture and dairying in the Province, to the success of the Government Creameries and to the intention of further encouraging the farmers along lines of improvement in live-stock, legislation for the registration of brands, and the protection of those engaged in cattle-raising; promised legislation regarding the public service and Departments of the Government, the construction and repair of roads and bridges, and the provision of necessary public buildings; referred to the growing necessities of commercial and social activity in the Province as requiring that Telephonic communication should be made as wide-spread and effective as possible and the desirability of action toward that end; indicated the necessity of amending the law relating to Mechanics' Liens so as to render the enforcement of the rights of labourers and mechanics easier and more simple; promised legislation as to public health and sanitation, Land

titles, a Provincial University, the regulation of coal mines and steam boilers and the appointment of public officials. Mr. J. R. Boyle of Sturgeon was afterwards appointed Deputy Speaker.

The Address was moved by Messrs. C. A. Stuart of Gleichen and W. F. Puffer of Lacombe and Mr. A. J. Robertson of High River acted as Leader of the Opposition of two. He criticized the terms of the Dominion autonomy legislation respecting lands and schools; regretted the absence of any Government announcement as to railway legislation or the Hudson's Bay project; described the Liberal success in the elections as due to Federal interference and the promised expenditure of public funds by Government candidates in the different constituencies. Mr. Premier Rutherford stated that as soon as the necessary information was obtained as to the navigability of Hudson's Bay the Government would take up the railway matter with the sister Provinces. The Canadian Northern was proposing to build toward the Bay and it might want assistance in construction. As to the C.P.R. exemption the Government was preparing general railway legislation which would deal with it. He was especially gratified at the character of the immigrants coming into the Province and stated that the revenues were quite sufficient for all requirements. If there had been Federal intervention upon his side in the late elections he had seen very little of it while the Opposition had certainly received assistance from a large number of Federal Conservative politicians. Mr. C. Hiebert of the Opposition protested against the Autonomy conditions. The Province had no land, no minerals, no water, not even the fish in the lakes to call its own, while six out of the nine Provinces of the Dominion had their own public lands and mines and fisheries. There were from 35 to 50 millions worth of C.P.R. lands untaxed and over which the Province had no control in the matter of taxation. He referred to other matters and especially regretted the absence of any Government reference to sugar-beet cultivation or its encouragement and concluded with a long Resolution which may be summarized briefly as expressing:

1. Regret that the Province had only received partial Autonomy instead of a full measure and that control over and ownership in all Crown lands, mines, and minerals, streams and rivers and water-power, lakes and fisheries, had been withheld by the Dominion.

2. Regret that the Province should be deprived of the right to assess the property of the C. P. R. for a share in construction of roads and bridges and other necessities for the pioneers who helped to make the railway lands valuable.

3. Regret that the revenues from lumber lands were not available as in other Provinces.

4. Alarm at the proposed Government legislation regarding Mines as throwing additional burdens upon the Government while the mining royalties were collected by the Federal authorities.

5. Apprehension as to the effect of alleged Federal restrictions upon the right to legislate regarding Education with the result of possible religious discord and a direct infringement of the principle of "equal rights to all and special privileges to none."

6. Regret that the Government had announced no policy as to a joint investigation by the four Western Provinces of the feasibility of the Hudson's Bay route.

7. Belief that the Province should own and operate all long-distance Telephones and that legislation should be passed providing for municipal ownership and control of local lines; with connecting arrangements and a complete service as cheaply given in the country as in towns and cities.

8. Satisfaction at the proposed measures regarding agriculture and roads and bridges and the advocacy of a further step along the line of the Creameries policy by providing substantial assistance to the sugar-beet industry.

The Hon. C. W. Cross in replying declared that the Opposition's policy on the School question had brought the Conservatives to Edmonton with two supporters out of 25 and pointed out that the C.P.R. exemption had been originally created by a Conservative Government at Ottawa. Hon. W. H. Cushing, Messrs. W. F. Puffer, M. Mackenzie, M. McCauley, J. W. Woolf and others spoke. Mr. J. T. Moore, who won a considerable reputation during the Session as a speaker, dealt at length with the School question.* He said there was but one adjective to express the present system and it was the word "national"; whether national public schools or national separate schools. Section 4 of the School Ordinance gave the Government full control of the schools. He quoted from the Act showing that the Lieut.-Governor-in-Council could make regulations for all schools; that either Protestants or Roman Catholics could establish schools in the Province without restrictions; that no person liable for assessment for a separate school could be liable for assessment for a public school. No instruction in religion could be given until one-half hour before the closing of the school and then only if the Board of Trustees desired it. This was local control and self-government. Further than this any and every child could have the privilege of leaving the school during the religious instruction period. The old School Ordinance had been claimed to be almost perfect and had been put in the Alberta Act without change. He held that the Province could alter anything in the Act excepting that they could not prevent School Trustees from giving one-half hour of religious instruction if they so desired. The Resolution was lost by a party vote and the Address carried on the same division.

The Land Titles Act was a voluminous and elaborate measure containing much of the Territorial law but with amendments intended to meet new conditions. Agreements of Sale were authorized for registration and persons purchasing railway lands were to be allowed to register at Edmonton instead of Winnipeg; mortgagors were permitted to register land by applying at the Land Titles Office; the Government assumed power to appoint the fees charged for issuing patents; the number of acres for which titles could be granted was limited to 640 acres so as to prevent

* NOTE—For a full record of this question and its Dominion and Provincial issues, see *Canadian Annual Review* for 1905.

"blanketing"; and other clauses provided for simplification and cheapening of the procedure. The question of age limit at which a man could register such titles was discussed. The Attorney-General (Mr. Cross) was inclined to favour 18 years on the ground that many under that age were dealing in lands and because "a man of 18 in the West was equal to one of 21 in the East." Eventually 21 was decided upon. The advisability of adopting a caveat system in respect to registered lands was also debated especially in its effect upon corporations and, by some of the members, its value in fighting the C.P.R. A number of other important measures were considered and passed.

The incorporation of the Western Oil and Consolidated Co. Ltd. was approved after some of its more sweeping powers had been restricted; the Mechanics' Lien Bill introduced by the Attorney-General aimed at a cheaper registration system and legal proceedings for the labourer; a measure controlling the speed and use of automobiles was presented by Mr. J. R. Boyle and passed; the City of Edmonton had its Charter amended and in this latter connection the House was addressed, on Apl. 21, by Mr. James Short, who was closely associated with the original incorporation, and others; the Premier carried a measure through incorporating the proposed University of Alberta; a Coal Mines Regulation Act enabled the Province to assume the entire responsibility for the inspection of mines; the town of St. Albert asked and obtained the ratification of a by-law passed by the ratepayers on Jan. 3, 1905—under which $30,000 had been borrowed for the purpose of erecting a grist mill and establishing electric light and fire protection services—although there were several protests against the proposal as a bad precedent and beyond the functions of the Legislature; the Alberta Insurance Co. was incorporated with powers which included Hail insurance although it was stated that these would not be used so long as the Government maintained its policy of insuring farmers against hail—when desired and under conditions similar to those existing in Saskatchewan.

Legislation introduced by Hon. Mr. Finlay proposed to establish stringent stock inspection so as to check the numerous thefts of cattle in the south of the Province and provided that a person removing cattle from one part of the country to another must have in his possession a Brand Recorder's certificate or a bill of sale from the vendor; an Act was passed granting the members $1,000 indemnity; an amendment to the old Ordinance as to Liquor licenses was presented by Hon. Mr. Cross changing the number of dwelling-houses necessary from 15 in 1,280 acres to 40 householders living within 960 acres; the Town of Cardross was incorporated as was the City of Wetaskiwin; the Game Ordinance was amended with a view to protecting the last of the elks in the Province; a Bill introduced by the Premier voted $250,000 to bonus the sugar-beet industry and protect it against the discrimination of British Columbia manufacturers who were alleged to

sell their product more cheaply in Lethbridge than in Vancouver. The Alberta Elevator Co. with its 15 elevators throughout the Province, having a capacity of 450,000 bushels and the promised construction of 15 more elevators in 1906; with a policy of encouraging the finding of Asiatic markets for Alberta grain and the construction of a clearing house at Calgary for smutty wheat; with a projected mill at some Pacific port and an expected local investment of $1,500,000; was incorporated so as to more certainly legalize its position although some members criticized the concern as being really a monopoly and, therefore, dangerous.

One of the important measures of the Session was the Hon. Mr. Cross' Act, introduced on May 10, and empowering municipalities to establish and operate Telephone systems in the Province as a complement to the preceding vote of $25,000 for preliminary work in the establishment of a Government-owned service in long-distance lines. The Act provided that any city, town, or organized improvement district might establish, own, and operate a Telephone system and carry on the business in the same manner as a private company; that franchises already granted should stand but, otherwise, the Council was given complete expropriation powers and allowed to cross any land or put their lines or poles wherever they deemed advisable. The municipalities were required to keep accounts of the Telephone business separate from any other municipal accounts, and only in the case of a surplus should moneys be taken from the Telephone accounts and placed in public revenue while all Telephone rates were to be treated the same as taxes and were to be collectable in the same way. All officers were to be appointed and dismissed at the pleasure of the Council. Municipalities were given power to levy a special assessment for the purpose of establishing a Telephone system, and were empowered to borrow over and above all other borrowing powers, a sum not exceeding one-half of the total revenue of the system for the previous year. During the year construction was commenced by the Government upon Telephone lines running from Calgary to Banff, and from Edmonton to Lloydminster and Mr. James H. Grierson was appointed to supervise the work.

Another important piece of legislation was the Act imposing a tax of $20,000 a mile upon the 800 miles of railway in the Province—including the C.P.R. and the C.N.R.—and which was put through the House with perfect unanimity and unique speed. Resolutions were passed during the Session presenting an Address to Prince Arthur of Connaught and joining in the general invitation to the King and Queen to visit Canada. A number of railway projects were incorporated including the Kootenay, Alberta and Athabasca running from South Kootenay north through Calgary to Edmonton; the Alberta and North-Western running from the international boundary south of Medicine Hat to Edmonton and north to the Peace River country; and the Alberta Southern

Railway Co. A general Bill granting provisional and uniform powers to the newly-chartered companies was also passed.

There was a struggle as to the seat of capital in the new Province although Edmonton's provisional position gave it a large advantage from the start. Strathcona wanted to be the capital and so did ambitious Red Deer; Athabasca Landing claimed the honour as being the geographical centre of the Province; and distant Banff from its seat in the Rockies desired to preside over Provincial destinies; Calgary, however, was the main rival of the seat of provisional power. On Apl. 24th, after a strenuous struggle had been maintained for some time between these two places, a vote was taken and the Government transferred all responsibility to the Members. Banff and Red Deer were presented and then withdrawn; Hon. W. H. Cushing moved that in the opinion of the House "the seat of Government of the Province should be fixed permanently at Calgary"; the vote of the members was 16 against the motion to 8 in its favour. Edmonton, therefore, remained in possession of the honour and advantage. On May 9th the Legislature was prorogued. In August its members, or nearly all of them, made a tour of the Province accompanied by the Lieut.-Governor, Senator DeVeber, and a few others.

Financial and Educational Affairs in Alberta

The Hon. A. C. Rutherford, Premier, Provincial Treasurer and Minister of Education, presented his Budget to the Legislature on May 7th. He pointed out that there were no comparisons with the past to make and estimated the total receipts for the year ending Dec. 31, 1906, at $2,251,455; the expenditures at $1,968,081 and the surplus at $283,373. The amounts voted included $127,806 for Civil government, salaries and Departmental expenses; $29,425 for legislation and members' sessional allowance; $221,200 for the administration of justice; and $996,000 for public works which sum included $20,000 for Legislative buildings, $15,000 for boring and testing for water and providing public wells, $20,000 for ditches and drains, $50,000 for repair and maintenance of public works, $500,000 for construction of roads and bridges, $50,000 for surveys of roads, drains, etc., $85,000 for the construction of a Normal School at Calgary, $140,000 for the construction of Parliament Buildings, $25,000 for the preliminary construction of Provincial Telephones. To Education a grant of $200,000 was given of which $165,000 went to the Schools and the balance to sundry educational purposes.

To Agriculture the grant was $315,000 of which $250,000 went to provide for "advance payments and general operating expenses of the Creamery work." As to this important matter the following Government explanation was offered: "The revenue from the sales of butter will equal the expenditure so that the Government will not be actually called upon to meet any portion of this vote out of the general revenue but will be required to meet advance payments for cream and supplies to about $20,000

or $30,000 per month for a few months when the accumulated receipts will be so great that no further advance from revenue will be necessary." Hospitals, charities, and public health were voted $33,500 and $45,100 was allowed for miscellaneous matters. The receipts included $1,124,125 from the Dominion Subsidy for 1906; estimated returns from Railway taxation $160,000, from Interest on School lands $47,000, and from Registry Offices $50,000; anticipated return from sales of butter $250,000 and from miscellaneous sources $100,000. The chief and, indeed, only Opposition criticism to this statement was the absence of data as to where the expenditure of $500,000 upon roads and bridges was to be made. The Hon. Mr. Cushing replied in general terms that his Department proposed spending $235,000 on bridges in the southern country, and for this work steel had been ordered as far back as December. He said he could not give particulars as to where or how the appropriation for roads was to be spent as in the north, for instance, there would be a lot of work necessary in country which had not even been surveyed. An interesting contribution to the debate was a speech from Mr. Fletcher Bredin of Athabasca declaring that the country north of Edmonton would rival that to the south. "There are in the north 21,472 square miles of coal land, and among its resources are two kinds of petroleum, asphalt, salt, gas, fish, fur, limestone for cement, and the only practicable system of navigation in the Province."

Education was advanced in various directions during the year. Speaking to a Toronto paper on Oct. 25 Mr. Premier Rutherford declared the system to be second to none in Canada. Since organizing the Province 140 new school districts had been formed—notably 16 amongst the Galician settlers in some five months; preparatory steps had been taken for founding a University; and a Provincial Normal School was being started which would, with equipment, cost $150,000. An Educational Council was gazetted on Dec. 29th composed of Messrs. N. D. Beck of Edmonton, James Short of Calgary, J. T. Fowler of Wetaskiwin, E. H. Rouleau of Calgary and James McCaig of Edmonton. To the Victoria *Colonist* of Sept. 5th Mr. D. S. Mackenzie, Deputy Minister of Education in Alberta, referred in an interesting manner to the education of the Foreign elements of its population—especially those from Central Europe. "These people are found to be quite anxious to have schools established which are to be conducted in the English language but, on account of their inability to understand English, they are unable to take the initiative and the Department has in its service an experienced teacher who devotes his whole time to the establishment and supervision of schools among foreigners. The question of the formation of a district is invariably submitted to the vote of the resident people interested, and particularly among the Galician settlers; it is very rarely that a vote is recorded against the formation of such school districts. When

these people came to the country they were anxious to settle near each other and the consequence is there are hundreds of square miles inhabited almost entirely by immigrants from Central Europe." Official statistics for the year 1906 were as follows:*

Number of School Districts	748
Increase during the year	144
Total grants to School Districts	$170,315
Increase during the year	38,804
School Debentures authorized	422,325
Increase during the year	263,000
School Debentures Registered	347,175
Increase during the year	118,450
Unorganized Schools receiving financial assistance	14
Provincial Certificates Granted—	
1. Licenses to Teach (1st Class)	108
2. Licenses to Teach (2nd Class)	368
3. Professional Certificates	315
4. Non-Professional Certificates	554

Examination of candidates for non-Professional certificates took place at 12 centres during the year with 325 candidates as compared with 241 in same geographical territory in 1905. Institutes and Conventions were held in May and June at 12 places with Conventions as follows: Strathcona, Oct. 25, with 111 delegates in attendance; Ponoka, Nov. 1, with 58 present; Olds, Sept. 27 with 51 in attendance. Public opinion during the year was strongly in favour of the ultimate establishment of a Provincial University. The Teachers' Convention at Strathcona passed a Resolution in favour of immediate action and laid special stress upon scientific agriculture and engineering as subjects for instruction. Present demands and industrial needs were, in fact, the dominant ideals of the large majority of public expressions in this connection. In presenting his Educational measure to the Legislature on Apl. 23rd the Premier described it as, in the main, creating a Provincial Board of Education and laying the foundation for action in the establishment of a non-sectarian University. In this latter connection he said: "I think there is an excellent opportunity for the establishment of a non-sectarian undenominational University in this Province. In the other Provinces Universities were established by denominational institutions. I do not deprecate the work done by them. In Alberta, however, we could hardly hope, and I do not know that it would be desirable, that denominational universities should be established. It may be pertinent to ask when a University should be established. I think as soon as the requirements demand it." To the press in Calgary, on May 20, Mr. Rutherford spoke as follows: "Universities are not built in a day. We must proceed slowly. It may not be necessary to establish one during my four years term of office. It all depends upon the number of students who matriculate. I doubt if there are a sufficient number yet to justify

* NOTE—Compiled from advance figures kindly furnished the Author by Mr. M. J. Macleod, Clerk of the Executive Council, Edmonton.

the University, but I am having calculations made and at our present rate of progress it may be necessary to commence these operations at once. Another thing we need is an Agricultural College. This is purely an agricultural Province; perhaps we will need that before the University." A great difficulty, of course, was to choose a site, as the claims of Calgary and Edmonton were each very strong and the wishes of other centres were also quite clearly expressed. Toward the close of the year a circular was issued by the Department of Education asking particulars from High Schools, etc., as to the expected number of matriculants in 1907 and 1908 and the courses they would prefer to take in a University if it were established.

Government and Public Affairs in British Columbia

The retirement of Sir Henri Joly de Lotbinière from the Lieut.-Governorship of British Columbia left a vacancy which was filled on May 11th, 1906, by the appointment of Mr. James Dunsmuir, a native of the soil and a millionaire Mine-owner of Vancouver Island; for two years Conservative Prime Minister of the Province; a silent, capable and public-spirited man who held the respect of all excepting a few extremists in Socialist or Labour circles. The Vancouver *Province* put the matter as follows: "All the qualifications demanded are, we think, found in Mr. Dunsmuir. He is a man of wealth and of social standing. He is interested, in a purely material way, in British Columbia to a greater extent, perhaps, than any other single individual, and he understands its needs and its people. He has engaged in politics and has abandoned them." It was understood that the appointment was recommended by all the representatives of the Province at Ottawa. On June 5th Sir Henri Joly left Victoria for Ottawa after a six years' successful administration in which he had won many friends and much appreciation by his geniality and courtesy of character. An incident of his leave-taking was a charming poem by Mr. Clive Phillipps-Wolley of Nanaimo in which the writer embodied this popular sentiment of regret.

On Jan. 9th judgment was given in the Supreme Court of British Columbia dismissing the appeal in the famous suit of Hopper *vs.* Dunsmuir in which a large portion of Mr. Dunsmuir's inherited property was at stake. The case had been contested on both sides with great keenness and the prominence of Edna Wallace-Hopper as an actress brought the matter before a still larger public. The best legal talent in the Province was employed and an appeal was at once carried to the Judicial Committee in England, with a final judgment on August 2nd dismissing the case and confirming the new Lieut.-Governor in possession of his father's wealth. His case must have been a strong one as the first Court with Mr. Justice Drake as trial Judge had given him a verdict; the full Court with Chief Justice Hunter and Justices Irving and Martin had dismissed the appeal; the final

Court composed of Lord MacNaughton, Lord Atkinson, Sir A. Wilson and Sir Alfred Wills had unanimously dismissed, with costs, a further appeal. Much had been said at the time of his appointment as to the new Governor's generosity and on Sept. 4th it was announced that His Honour would donate $10,000 to a proposed Sanitarium for Consumptives if $50,000 were first contributed by others. At a public meeting held in Victoria on the above date an effort was made to bring the whole subject before the attention of the people. Mr. Dunsmuir had Government House and its grounds remodelled and arranged and entertained the Governor-General and other distinguished visitors with lavish hospitality during the year.

Following upon various Opposition rumours as to disagreement with the other Members of the Government over the Kaien Island matter or the question of Socialist support, etc., the Hon. Charles Wilson, K.C., resigned his position as Attorney-General on Mar. 15th. Pressure of private business was the reason given. At a Conservative public meeting in Vancouver on Apr. 12th Mr. Wilson was present on the platform and Mr. Premier McBride referred to him as " an old and true friend, a broad, useful and patriotic man." On Dec. 24th the retirement of Hon. R. F. Green, Chief Commissioner of Lands and Works, was announced. He stated that business considerations were the cause, that he would not be a candidate in the pending elections, but that he would assist the Government so far as he could. The leading Opposition organ, *The Times,* said that this action was caused by compulsion and as a result of the Kaien Island affair; the Victoria *Colonist,* Government organ, took a very different view: " He has been one of the best Chief Commissioners that British Columbia has ever had, and it can be said of him with perfect confidence, that he leaves his important and responsible post with a reputation for industry, integrity and administrative ability. In the resignation of Mr. Green the Province loses an efficient minister, and the Premier an able colleague."

Up to the close of the year Hon. F. J. Fulton, K.C., combined the dual positions of Provincial Secretary and Attorney-General and on Dec. 31st Mr. William Manson of Nanaimo, who had filled the Mayor's chair of that town for 4 years and had won the Alberni seat early in the year, was appointed Provincial Secretary. The Hon. R. G. Tatlow, Minister of Finance and Agriculture, was also sworn in as Chief Commissioner of Lands and Works. A popular appointment of the year, though not a Provincial one, was that of Mr. Justice Lyman P. Duff of the Supreme Court to the Supreme Court of Canada. The appointment of a successor caused some discussion owing to a rumour that Mr. J. A. Macdonald, K.C., the Opposition Leader in the Legislature, would accept the position. He felt, apparently, too sure of his opportunities, or duties, in the next election and remained at his post. Messrs. F. C. Wade, K.C., County Judge

Henderson of Yale and Harry Senkler of Vancouver were also suggested. In the end the appointment went to County Judge Clement. An important political and journalistic matter was the transference of control in *The Colonist* from Messrs. J. A. Lindsay, C. E. Pooley and A. B. Sargison to Mr. J. S. H. Matson, which was announced on July 14, together with the appointment of Mr. R. E. Gosnell as General-Manager and Editor—a position which, however, he resigned on Oct. 2nd to accompany the Premier to the Inter-Provincial Conference at Ottawa and with the intention of afterwards taking up private business and special literary work in Victoria.

Meanwhile, the Premier had been centreing in himself the real leadership of his party and establishing, despite inevitable differences in public and party opinion, a stable and economical Government. With his steady majority of three and the occasional Socialistic support of two other members, some useful legislation was put through and the Province carried forward to the verge of a general election and, as it turned out, an expression of distinct confidence in the McBride Administration. Speaking in Vancouver on Apl. 12 Mr. McBride claimed that in the Kaien Island affair the Government had, in direct communication with the Grand Trunk Pacific, arranged favourable terms for the making of that place a seaport and railway terminal; that in the Columbia and Western Land grant matter he had inherited a condition in which justice had now been done the C.P.R. and no more than justice; that this policy in respect to lands properly belonging to the Company was no more an evidence of partiality than his Government's increased taxation upon C.P.R. stock of 500 per cent. was a hostile action; that in the Midway and Vernon Railway issue they had simply deferred the grant of $750,000 until the Courts had decided payment to be necessary; that as to railways in general his policy had been to restrict paper construction and to encourage real enterprise; that its wisdom was shown in the Great Northern construction and in the C.P.R. line to Nicola built without a cent of Provincial money; that in education they had checked an expenditure which would in time have swallowed up the entire revenue and had, in part, substituted municipal and popular contribution; that as a consequence of their preventive policy in the export of logs saw-mills were now springing up all over the country and the lumber industry had never been more prosperous.

During the summer and after the Session had been duly disposed of Mr. Premier McBride and the Hon. R. F. Green visited different parts of the Province. Together they visited Wilmer, Windermere, Field, Golden and Revelstoke. Thence Mr. McBride went south through Nelson to Moyle, Cranbrook and Fernie while the Chief Commissioner returned to the capital. Many meetings were addressed and a little later the Premier went away to the north, touched at both Kaien Island and Port Simpson; traversed

Portland Canal and part of the Yukon Territory; visited Whitehorse, Conrad and Windy Arm as well as the Atlin and Skeena Districts of British Columbia; addressed several meetings and was greatly impressed with the signs of mineral discovery and development which he saw. The Chief Commissioner of Works visited Nelson, Kaslo, Trout Lake, Ainsworth and other places on the mainland, together with various points in the Nanaimo, Comox and Cumberland districts of the Island. Meanwhile, the "Better Terms" question to which Mr. McBride had paid so much attention since coming into office was reaching its critical stage and was about to go through new conditions in the Conference at Ottawa. Originally the question had been a non-partisan one and the 1905 Resolution in favour of a larger Subsidy and special consideration from the Federal authorities had passed the Provincial House with unanimous approval. Inevitably, however, the existence of a Conservative Government at Victoria and a Liberal one at Ottawa, together with the pressure of a pending Provincial election and the natural differences of opinion as to the degree of special consideration to be granted the Province, created a condition of political cleavage. At the Ottawa Conference of Provincial Premiers, in the week following Oct. 8, he made this issue the prominent subject of discussion and himself one of the marked personalities in the gathering.

Whether entirely right or not in all the details of his policy—which is dealt with elsewhere—Mr. McBride certainly made British Columbia the first and last object of his advocacy. He was offered something; he wanted more. He was made much of personally but refused to be persuaded into accepting anything less than what he deemed justice. A final compromise was suggested; he replied by withdrawing from the Conference and promising to carry the exceptional and difficult position of his Province to the foot of the Throne. The attitude taken seems to have touched the public imagination in British Columbia and a special public welcome for the Premier was arranged for his return to Victoria on Oct. 26th. At Laggan on the way home a delegation from the Kootenays welcomed him; at Revelstoke, Kamloops and Mission City he was cordially greeted; at New Westminster and at Vancouver he was welcomed and applauded. In Victoria a large gathering received and cheered him at the boat; considerable crowds cheered him in the streets; a closely-packed audience greeted him in the public meeting afterwards. The chair was occupied by Mr. J. L. Beckwith and, besides the chief speech of the evening,* addresses were delivered by Hon. R. G. Tatlow, Rev. Dr. Elliot S. Rowe and Hon. D. M. Eberts. The following clause in the Address presented to Mr. McBride was noteworthy:

* NOTE—See following section in this volume.

The Federal Government has seen fit to ignore the pleadings of British Columbia for justice and fair treatment a sone of the partners in the scheme of federation? Instead of giving our case that consideration which its importance should command, the Administration at Ottawa referred it to a Committee composed of men naturally antagonistic to endorsing any proposal which might, in the slightest degree, effect the standing of their respective Provinces. This reference of our case placed you in the position of a leader of a forlorn hope, so far as securing any substantial or permanent relief for the Province; but you faced the situation bravely and unflinchingly and single-handed, under the most adverse and disheartening circumstances, upheld our rights and took a position which must convince all fair-minded men that British Columbia is no longer prepared to suffer upon her by Ottawa. In assuring you that we regard your action in retiring from the Conference as the only alterative left you in the face of the attitude assumed by a majority of its members—the only step compatible with your responsibility as the representative of British Columbia, holding the dignity and honour, the vital interests and future independence of your Province paramount to all consideration—we feel that we are expressing the sentiment of every loyal British Columbia regardless of party, and we feel convinced, when the opportunity is afforded them, the electors of the Province will endorse the manly course which you pursued.

A Provincial political matter which was somewhat discussed in the early part of the year was the Pendray Case involving some alleged juggling with tenders in the attempted purchase of a small strip of Government land for factory purposes by W. J. Pendray & Sons of Victoria. Charges were made by the Vancouver *World* against the Department of Lands and Works in this connection and, on July 10, the Government appointed Mr. Fred. Peters, K.C., a prominent Liberal, as Commissioner to inquire into the matter. Hon. R. F. Green, Mr. D. W. Higgins, Editor of *The World* and others were examined and, on July 30, Mr. Peters submitted a Report to the Lieut.-Governor. It involved (1) a consideration of the Department's conduct in connection with the receipt of tenders from Pendray & Co. and another party and the declaration from the Commissioner, after a review of the whole transaction, that "I can see nothing in the least wrong about it"; (2) an investigation into the charges that Hon. Mr. Green, or someone else in his Department, had wrongfully revealed the amount of the first tender—bringing a woman's name into the matter—and the statement by Mr. Peters that the evidence clearly indicated the falsity of the charges and that "nothing has been done by Mr. Green or any official in the Lands and Works Department in the slightest degree worthy of censure." At the same time Mr. Peters expressed his belief that under the circumstances *The World* could not be blamed for publishing the charges.

All the preliminaries of a general election were worked out in 1906; the actual return of Mr. McBride's Government by a substantial majority was an event of the succeeding year. During much of the period under review it was felt that the contest would take place before the year's close and the last Legislative session

was crowded with Government measures—many of them constructive and useful items of legislation. The Opposition speeches were barbed with biting criticism and as destructive of Government policy as they could be made. "Better Terms" from Ottawa was the chief Government cry though its financial record was also strong. Any difficulties connected with the charges against Hon. R. F. Green were disposed of by his retirement from public life and the re-organization of the Government; the very abundance of other parties—Liberal, Socialist, Labour and anti-Socialist helped by drawing from the Opposition more than from the now solid Conservative party; Mr. McBride's courageous and fighting stand at the Ottawa Conference enhanced his general popularity; while the personal friendship of Mr. Hawthornthwaite, the Socialist Leader, for the Premier no doubt helped indirectly in the contest as it had before done in the Legislature.

On the other hand Mr. J. A. Macdonald was a strong and clever speaker though not gifted in the ways of personal popularity as was the Premier; he had all the help that the Federal organization and patronage in the Province could give; and Mr. W. W. B. McInnes, after winning excellent opinions during a brief administration in the Yukon, resigned his Commissionership and gave Mr. Macdonald the full support of his organizing and general influence. There was, naturally, some opposition in the Liberal ranks to the coming of Mr. McInnes and to the apparent interest taken by Ottawa in the result; while the Conservatives were quick to say that the Laurier Government wanted a Provincial Premier who would not be so aggressive in fighting for what they claimed to be Provincial rights. In November and December many meetings were held. The Premier spoke at Cedar Hill on Nov. 8 and practically opened the campaign in support of Hon. D. M. Eberts who was returning to public life after a four years' exclusion from the House. With Mr. Tatlow the Premier was at Duncan's on Nov. 10 and at Royal Oak on Dec. 1st. Dissolution was announced late in December.

Though a question for Dominion as well as Provincial settlement the Songhees Reserve matter was so important to the welfare of Victoria, while so many efforts had been made by the Provincial Government to find a solution of the problem, that its recrudescence in 1906 may be considered here. This Reserve on the west side of the Harbour with its handful of Indians had, for years, been checking the growth of Victoria in certain directions; besides being a not altogether pleasant element in the life of the City; and it now threatened to interfere with the coming of railways into the capital. Mr. Mayor Morley of Victoria had in his election speeches promised special attention to the question and a Committee of the Council was appointed to deal with it. On Apr. 9th a Report was approved which embodied terms of agreement with the Provincial Government and involved the grant of a portion of the land to the City under certain conditions and the

sale of another portion; the obtaining by the City of a suitable and satisfactory new Reserve for the Indians; the meeting of all expenses in connection with the removal of the Indians, etc., to be borne by the City pending the result of the proposed sales. In the autumn Mr. Frank Pedley, Deputy Supt.-General of Indian Affairs, was sent out to look into the matter for the Dominion Government and at once took the ground that the City itself had no legal status in the affair. He arranged with the Provincial Government by correspondence dated Sept. 19-28, as to the reversionary claims of the Province in the premises and on Oct. 6 submitted, personally, to the Indians the following proposition:

(1) $10,000 in cash or at the time of surrender; (2) $15,000 in cash within a week or ten days; (3) $7,000 in cash on the removal of the Indians to the new Reserve; (4) the setting aside of a fund of $10,000 for the purpose of purchasing implements, tools, stock, etc., upon requisition to the Indian agent or superintendent and certified by him as being necessary for use in the business of the particular Indian applying; (5) the purchase of a Reserve suitable for the Indians within a reasonable distance of the City of Victoria and their removal thereto; (6) the compensation of the Indians for their improvements on the old Reserve by cash or by improvements on the new Reserve as the Indians desired; (7) the payment to the Indians of the interest yearly or half yearly on the balance of the money remaining to the credit of the Band upon completion of this arrangement.

Mr. Pedley secured the right of purchase in what he thought a suitable new Reserve and took some of the members of the Band (numbering in all 42 families and 101 souls) to see it but they finally voted against any action or change. Deadlock ensued and Mr. Pedley returned to Ottawa after nearly two months of wasted labour. On Feb. 27 the judgment of the Judicial Committee in London was given upon the question of Foreshore rights at Vancouver and in connection with efforts by the railways to reach the harbour. As delivered by Sir Arthur Wilson the elaborate decision closed as follows: "It is enough to say that the language of the Canadian Pacific Railway Act must prevail over that of the Consolidated Railway Act, which applies only so far as it is not inconsistent with the special Act. And it is clear in their Lordship's opinion that the power given to the Company to appropriate the foreshore for the purposes of their Railway of necessity includes the right to obstruct any rights of passage previously existing across the foreshore." Chief Justice Hunter on Mch. 28th, in the Provincial Supreme Court, gave judgment in the Midway and Vernon Railway affair which had been referred to him by mutual consent of the Provincial Government and the Company. He was asked to decide whether the Company had complied with the Subsidy Act by beginning construction of the road on or before Jan. 1st, 1904. The Chief Justice gave the opinion that he believed this work was actually begun in a *bona fide* way as required by law. This was practically a judgment that the Midway and

Vernon Railway was entitled to its subsidy of $5,000 a mile for the length of the line, 152 miles, as soon as completed. The matter had been much discussed in the Legislature and was, later on, to be considerably debated in the elections which marked the close of the year.

In April the Reports were made public of the two Commissioners—one Canadian, the other American—appointed to inquire into the disastrous wreck of the *Valencia* steamship at the entrance to Puget Sound from the Straits of Juan de Fuca on Jan. 23, 1906. Both agreed in condemning Captain Johnson for faulty navigation; both deprecated the cowardly conduct of two vessels, the *Queen* and the *Topeka,* which did little to help in saving lives; both denounced the defective state of aids to navigation and preservation of life, the lack of lighthouses, fog-signals, etc., at this point and along the coast generally. In the House of Commons on Apr. 10 Mr. R. G. Macpherson, the Liberal member for Vancouver, brought the matter up and used language which was certainly not measured. He recapitulated recent wrecks and then dealt with the one under review: "The sad story of that wreck is that for 24 hours the *Valencia* with her ill-fated passengers, was piled upon the rocks and there was no arm long enough and no arm strong enough to save any of those miserable people who went down with the ship, some 126 souls, I am told. I wish to say, Mr. Speaker, recognizing the full responsibility that rests upon me in making the statement, that unless some radical measures are taken to reduce to a minimum the dangers which exist on the west coast of Vancouver Island; unless something is done by our Government and by the Department of Marine and Fisheries, it is, in my opinion, only condoning murder."

Mr. Ralph Smith of Nanaimo was equally emphatic upon another point—the absolute lack of confidence by Canadians upon the coast in the construction and inspection of United States vessels. He strongly criticized a recent arrangement by which American certificates of inspection could be accepted by Canadian officials. The Hon. Mr. Brodeur intimated his receipt of a report in connection with the *Valencia* loss and described the increased effort which his Department had been and was making to improve conditions and provide more ample inspection and protection. The year closed with an important arrangement between the Provincial Government and Commissioner Coombs, of the Salvation Army, by which the former gave a loan or allowance to the Army subject to re-payment and the latter undertook to appoint men to inquire into labour conditions and requirements throughout the Province and to place settlers where required during the next year or so. It may be added that under date of Mch. 31, 1906, a Royal Warrant was issued from the College of Arms, London, granting special Armorial bearings to the Province of British Columbia.

The 1906 Meeting of the British Columbia Legislature

The Legislature was opened on Jan. 11th by Sir Henri Joly de Lotbinière in a Speech from the Throne which expressed congratulations upon the prosperity of the past year; stated that under recent legislation the financial stability of the Province had been restored, the revenues had increased and the public accounts would, for the past year, show a substantial surplus; declared that the Provincial credit in the British money market had been restored; pointed to the timber legislation of the past Session as having "led to great extension of the lumbering industry in all parts of the Province" and increased the public revenue; intimated that the efforts of the Department of Agriculture in developing the fruit industry had met with great success and the orchard area of the Province largely increased, with new markets opened up; described negotiations as proceeding with the Dominion Government regarding the Fisheries and with a view to the permanence and better development of that great industry; hoped for larger appropriations in the near future toward public works and the providing of easier means of communication with districts suitable for settlement; stated that the Mining industry was showing signs of great activity and that "while the older mining districts are steadily increasing their output, new mineral areas are being opened in the interior and along the coast, some of which give promise of great mineral wealth"; announced rapid progress in railway construction—a condition which would probably continue and in which "two great corporations are now engaged in building lines that will open up rich mining, agricultural and timber areas in the Similkameen and adjacent districts and bring them into easy communication with the coast and with the great railway systems of this continent"; promised legislation for consolidating the Municipal Act along lines of increasing local self-government, a further helpful amendment to the Grain Protection Act, and changes in the Land Act so as to make more effective the laws relating to the administration and settlement of the public domain.

The Address in reply was moved by Mr. W. Manson, the new member for Alberni and seconded by Mr. A. H. B. Macgowan. The latter took a somewhat independent line on certain subjects and, while supporting the Government's past railway policy, declared that the people would approve "judicious aid to railroad construction with satisfactory guarantees as to fulfilment of contracts." He agreed with Mr. Manson as to the necessity for protecting the forests and described the present waste of timber as "appalling"; urged the closer co-operation of Provincial and Municipal authorities in guarding the wealth of the Province; denounced the conduct of the Federal authorities in the matter of "Better terms" and declared that if the Province was not treated in accordance with its legitimate expectations there was only one alternative, "a severance of the unfair ties binding it unwillingly

to Canada." Mr. J. A. Macdonald, the Opposition Leader, followed in an admittedly able speech and declared that the increased prosperity in the Province was due to good times; that if lumbering was profitable it was because of better prices and a larger market; that the fruit-growing development was due in part to the industry of individuals and in part to the past labours of Mr. R. M. Palmer, the Government official; that Mining prosperity was coming in spite of, rather than because of, Government policy. He deprecated the continued failure of the Government to amend the Mining Act or to give the country a railway policy; declared that in the matter of surplus revenue it was simply a case of relieving the victim of his money and then gloating over it; condemned the Education Act and said that School Trustees were resigning in every direction; dealt at length with the Kaien Island affair; expressed pleasure and took credit to himself that improved relations between Mine-owners and workers had made an eight-hour day unnecessary; eulogized Mr. W. W. B. McInnes in connection with his recent appointment to the Yukon.

The Premier dealt chiefly with railways and education. In the former connection the Government had found before it 15 proposals involving grants of land or money and with personal gain as well as public service behind them. The decision had, therefore, been arrived at to submit no legislation as to grants at this Session. Nor was there, he added, any truth in the Opposition charge of an intention in the past Session to make a grant of $1,500,000 to Railways. As to Education he had in travelling through the Province discussed the Act with many persons and on the whole people were prepared to make the best of it. He had no doubt, and no fear, as to the result. The settlers, farmers and others, who were thriving on their land were not the people to repudiate responsibilities borne by their brothers in the older Provinces of Canada. The people who had to pay the taxes were not withholding them, they realized the necessities of the Province, and the voice of the constituencies at two bye-elections had spoken with no uncertain sound in support of the Government. A reference to the Kaien Island matter followed with a concluding eulogy of Mr. Commissioner McInnes and the expression of a hope that they would again have him in the House. Several Liberal speakers followed. Mr. C. W. Munro described Mr. Manson's speech as the best "first speech" he had ever heard; Mr. J. R. Brown referred to the Education Act as a "melancholy monstrosity"; Mr. W. G. Cameron heartily condemned the Commercial Travellers' tax.

Upon the other side Mr. W. T. Shatford described conditions in Similkameen as endorsing the Government's policy in regard to fruit-growing, taxation, and Education. Fruit-growing especially appealed to the speaker as he believed himself to represent the finest fruit-growing country in Canada. The industry was expanding rapidly and the district was being peopled while the

market for their products was unlimited. The lack of railway transportation was being remedied and the large blocks of land were being cut up into convenient lots. During the next few days various speakers shared in the debate—Hon. Charles Wilson for the Government, J. N. Evans, Liberal, Parker Williams, Socialist, Richard Hall, Liberal, Henry Tanner and W. C. Wells, Liberals—and on the 18th it passed without division. The Socialist policy as presented by Mr. Williams included a reference to the Dominion Lead bounty as " political charity to an industry "; declared that the continued lessening of small employers and concentration of affairs in a few hands were proving a blow to independence in labour; that Courts and lawyers were piling up fees so that it was now almost impossible for a poor man to get justice; that land grants to railways only fed " a bunch of speculators " and that if the Government wanted more railways it should build and own them; that the Indian Reserves in the Province should be acquired and opened up; that the Opposition Leader had been of no service in the Eight-hour Bill discussion; that the Immigration policy of the Dominion Government was a bad one and the " muck-raking " for settlers by the Salvation Army worse.

In moving a motion on Jan. 25th which would have exempted 75 per cent. of the farms of the Province from taxation Mr. Hawthornthwaite, the other Socialist in the House, referred to electoral corruption and declared that " there was a weapon being forged to deal with this condition of affairs, the weapon used in Russia with such lurid effect—the weapon of revolutionary organized strike. The same weapon would shortly be used in the States and already agitators from that country were in Canada fomenting agitation in the same direction." The measures most prominently before the Legislature during the Session were those dealing with the Columbia and Western Railway, the Dewdney Municipality Aid Bill, the Timber Bill; together with those affecting McGill College and Education generally and the Kaien Island question which are dealt with elsewhere. Of the original Provincial land grant of 1,600,000 acres claimed by the Columbia and Western Railway, or C.P.R. as it afterwards became, the Legislature was informed on Feb. 19th that the amount still claimed by the Company and due to them was 808,872 acres. Orders-in-Council had been passed on Feb. 18th and May 2, 1905, approving the early settlement of this prolonged dispute—dating from 1896 when the Subsidy Act was passed—and recommending legislation to finally confirm the Company in its rights to these lands upon due completion of surveys and selection. On Feb. 26th Hon. Mr. Green introduced a measure embodying this decision and which, after recapitulating the terms of the original grant and the completion of the sections of railway as undertaken by the Company, briefly authorized the Government to issue Crown grants for the land in question when surveys were completed.

On Feb. 28th a vigorous debate occurred upon the second reading. The Chief Commissioner of Works briefly recited the circumstances—the acquisition of the Charter by the C.P.R., the failure to complete surveys within the limit originally set, the arrangement of 1901 and its cancellation under political conditions, the undoubted right of the Company to the balance of its grant (morally if not technically), the fact of the road having cost $6,000,000 without bringing any profit as yet, and the necessity of opening the lands to settlement and development. Refusal to do this would, the Government thought, be repudiation. The Opposition Leader claimed that the sections had not all been completed and that the grant was not, therefore, earned; that the Company had made default in construction as well as surveys; that the only justification for the original grant had been rapid construction and surveys and neither had been accomplished. Mr. J. R. Brown claimed that failure to complete this line had helped to build up Spokane in Montana. Mr. John Oliver declared that there could be no repudiation where the money was not earned and claimed that the $50,000 forfeit for non-completion should be exacted in accordance with the Charter. The Premier made the following statement as to preceding conditions:

> There were good reasons why the through line of the Columbia and Western Railway had not been completed. In 1898 they were relieved by the Government of the day from construction of the section from Midway to Penticton in consequence of Mackenzie and Mann entering into an agreement to build the V. V. and E. Railway; both these agreements were signed by the then Premier, Hon. J. H. Turner, and Hon. D. M. Eberts, Attorney-General. These agreements were fully and legally executed so that any further liability to construct the section was at an end. But for legislation passed by the Semlin Government in 1899 there was no doubt that Mackenzie and Mann would long ago have completed that line, but the Semlin Government destroyed the subsidies of the Turner Government and that broke all agreements. It was, therefore, no fault of the Columbia and Western Railway Company that this change was made by the British Columbia Government. The Speech from the Throne at the 1900 Session of the Semlin Government specially declared that the grant in question had now been earned.

Mr. McBride claimed that the Opposition in this case was factious and trying to make party capital; that the Government's stand in the taxation of railways question was sufficient proof that it was not a "creature of the C.P.R." as someone had called it; that the Columbia and Western had been of immense service to the Boundary country and deserved its Subsidy on every ground of equity and justice. Mr. Stuart Henderson, on Mar. 1, put the Liberal view in the form of a long amendment expressing various reasons for the final declaration that the Company was "not entitled to any further aid." The chief of these was the fact that non-construction of the section to Penticton had made the Midway-Vernon line necessary at a cost to the Province of $750,000. The motion was defeated by 20 to 13 votes. In Committee on

Mar. 6 Mr. John Oliver moved that the Act should not come into force until the C.P.R. had granted Pacific coast merchants the same freight rates to Kootenay and Crow's Nest points as then obtained from Winnipeg to those points. The Premier stated that this matter was now before the Railway Commission, in whose jurisdiction it lay, and it was not their place to interfere at present. Only a few members voted for the proposal. Meantime, in a debate on Mar. 1, Hon. F. Carter-Cotton stated that he and the Speaker were the only members of the House who were there in 1896; that he had then opposed the land grant in question but now favoured settlement as a matter of equity; that under the original conditions the Subsidy was attached to separate sections and was payable separately. The Act passed, finally, on Mar. 9th, after Mr. Oliver had been defeated by 18 to 12 in efforts to compel payment of $50,000 forfeiture on contract and to insert a binding contract between Government and Company as to the former's control of freight and passenger rates.

The Act for the Relief and Dis-incorporation of the Municipality of Dewdney was introduced by the Premier on Jan. 24th and explained briefly. Since the great floods of 1900 this Municipality had been unable to make headway and now sought relief. Such relief had to be given with great care and only after considerable thought as the Province would incur a heavy responsibility if it were thought that any municipality failing to carry out its programme could fall back on the Government for assistance. But this case was unique. The washing away of the dyking works had left the settlers powerless and they were quite unable to continue to work the machinery of a municipality. Meanwhile the parties who had advanced the moneys for the public works were pressing their claims and if the Government did not come to the rescue every settler would lose his holding and that would be disastrous to the reputation of the Province. The present Government was not in any degree responsible but it was in the interest of the Province to pass this measure and afford the desired relief. The grounds for opposition were (1) that other dyking districts had suffered similarly; (2) that the people of Dewdney had been shirking taxation in a most cowardly manner for six years past; that it was unfair to the rest of the Province to pay money out for such a purely local purpose; that from 1894 to date the unpaid taxes of Dewdney would amount to the sum of $25,000 now asked for their relief. Mr. J. A. Macdonald moved for the appointment of a Committee to investigate the matter further but was defeated. Other debates followed but the Bill passed in due course.

One of the most approved items of Provincial legislation in 1901, and since then, had been the measure prohibiting the exportation of logs. Amendments to the Act were introduced by Hon. R. F. Green at the 1906 Session with the explanation on Jan. 19th that "there had been a great deal of confusion under the

existing Act in respect of the exportation of logs. Booms had been seized but so far the action of the Courts had not been favourable to the Province. The expedient of alleging that the logs were cut under hand-loggers license had so far been a successful argument under which logs had been freely exported. This was an inconsistent proceeding and the present measure aimed at a final stopping of this exportation of logs and to ensure the fulfilment of the aim of the Province in having all timber cut in British Columbia manufactured into lumber there." The reasons adduced against this measure created some serious discussion and on Jan. 30 a passing defeat of the Government in Committee. The chief objection to the Bill was the claim that its passage would drive the smaller loggers out of business while causing a waste of second-class timber for which there was no market within the Province, but which now found a ready sale for manufacture into piles, poles, ties and bridge timbers on the American side or in the prairie district. During the debate on the 30th Mr. Carter-Cotton claimed that the genuine brand of hand-loggers was almost extinct; Hon. Mr. Green explained that exportation to the other Provinces would be permitted; the Opposition Leader pleaded for the small industry as against the big operator; Mr. Hawthornthwaite declared the Bill to be class legislation in the interests of capital. The Premier pointed out that the sole object of the measure was to give real effect to the Bill of 1901 which almost everyone had approved. After the close of the Session the Premier in an interview (Apr. 8) described the conditions which had made the legislation necessary:

> It was found, however, that there was a loop-hole in the Act which was taken advantage of to export timber to the value of many hundred thousand dollars—thereby robbing the Province and practically nullifying the existing prohibitory statute. The procedure was very simple. In the original legislation the class of lumbermen known as "hand loggers" had not been debarred from exporting their small cuttings to the United States. But the enactment of prohibitory export legislation and the fact that hand loggers were exempt from its provisions under the terms of their licenses, offered a means of getting around the Act, which was speedily taken advantage of. Hand loggers' licenses were purchased for numbers of men by wealthy organizations, the men were then put to work, and the product of their cutting was shipped across the line.

The Midway and Vernon Railway matter turned upon an old Act of the Turner Government promising a subsidy of $5,000 per mile (to which was added the usual Federal subsidy) to any Company undertaking the construction of a railway, 125 miles, from Midway to Vernon. Nothing was done in the matter until the summer of 1905 when some New York capitalists, represented by McLean Bros. of Vancouver, undertook the work and did a little construction upon the line. The Government entertained doubts as to the application of the original Act, however, in the premises and decided to place the matter before the Supreme Court. Meanwhile a private measure presented by Mr. Price Ellison passed

the House incorporating the new Company and on Mar. 28th Chief Justice Hunter decided that the Subsidy Act conditions had been legally complied with. The Company was, therefore, entitled to its grant and was only restricted in its further operations by the need for raising money. An interesting question was raised by Mr. Price Ellison in his presentation of a Bill proposing to place the control of Telephones under the Provincial and Municipal authorities and giving large rights for the incorporation of competitive companies and the regulation of rates, etc. On Feb. 15th he made an important speech in the House and explained his proposals at length.

The measure did not pass and was not pressed to a division but it brought the question prominently before the public. On Feb. 16th Mr. John Oliver moved for an Address to the Lieut.-Governor asking for copies of all Orders-in-Council since July 1, 1903; on the ground that alleged secret agreements had been made by the Government with the Railways which should become public. The Premier, of course, replied that such a process of publicity for Cabinet matters would make government impossible: "The statute provides for Orders-in-Council being laid on the table, but not all. Unfinished business especially, on grounds of public policy, could not be divulged. The Government reserves to itself the right to produce or to refuse to produce such Orders, and the doing so is upon its own responsibility." The motion was defeated by 20 to 13 and in this, as in most of the divisions of the Session, the two Socialists and the Independents supported the Government. Resolutions were passed by the House from time to time: (1) Asking the Government to take into consideration the state of the slaughter-houses of the Province; (2) declaring that the Legislature would proceed "with the utmost severity" against any persons concerned in corrupt practices in connection with an election to the House; (3) asking the Lieut.-Governor to bring before the Dominion Government the urgent necessity for a life-boat station or stations on the West Coast of Vancouver Island together with a patrol steamer along the coast. The more important measures failing to pass during the Session were Mr. Hawthornthwaite's Smelter Eight-hour Bill (defeated by 19 to 17); a measure to abolish the existing deposit of $200 required from candidates for the Legislature; and an Act to extend the franchise to Women which was defeated by 24 to12. Many other measures were presented and considered and passed but the most important have been reviewed. Reference might, however, be made to Hon. Mr. Green's Land Act Amendments by which the conditions of lease-hold, acquisition, and settlement in Crown lands were made easier and the Government's position more clearly defined. This measure passed the House but the Hon. Mr. Wilson's Bill entitled the Independence of Parliament Act, 1906, and intended to prevent contractors, or beneficiaries, or office-holders of either the Dominion or Provincial Government, from voting at

Provincial elections was afterwards withdrawn. The House was prorogued on Mar. 12th.

The Kaien Island Affair in British Columbia

A peculiar political story was that surrounding the sale of lands in the vicinity of Kaien Island by the Provincial Government to the Grand Trunk Pacific Railway Company. It included, as Canadian politics go, and as told by the Opposition, all the elements of scandal, caused an immense amount of local discussion and resulted in a thorough investigation of the whole affair without proving the Government to have acted in any but a most careful and proper manner. Special care indeed appears to have been taken by the Government to avoid any political trouble of the kind and to keep the transaction out of the common rut. In the beginning it was a simple matter of the Grand Trunk Pacific Company looking for a terminus with local and other speculators and contractors looking for a very proper chance of making some money. The Railway Company was understood to have decided upon Kaien Island and to also require certain Crown lands (Indian) in the vicinity of the Island and upon the mainland. Meantime Mr. Peter Larsen, a wealthy American railway contractor of Helena, Montana, and Mr. James Anderson, a local resident who had been associated with him in other business matters, undertook to purchase these lands from the Government and sell them to the Grand Trunk Pacific. They entered into communication with Mr. E. V. Bodwell, K.C., the local solicitor for the Railway and with Hon. Mr. Green of the Government. Pending a settlement of the matter Mr. Larsen expended considerable money in actual surveys and Mr. Anderson went up to look after this branch of the operations. Then the Government refused to deal with private parties in the transaction and concluded arrangements with Mr. Bodwell as directly representing the Railway, with terms of settlement stated in a Minute of Council, dated 4th May, 1904, which first outlined the grant of 10,000 acres of land on the Tsimpseau Peninsula for terminal railway purposes to Mr. Bodwell in his representative capacity and then proceeded as follows:

> **Whenever any of the lands so to be granted form part of the shore of any tidal waters, or the banks of any river, lake or stream, the said grant shall convey in fee the lands below, as well as above, high-water mark, and shall also contain a grant to the said Ernest Victor Bodwell, acting in the before-mentioned capacity, in fee of all foreshore and riparian rights which the Crown, in right of the Province, has in respect of any lands covered by waters which are described or referred to in the said grants.**
>
> **The said grants shall also reserve to the Crown the rights referred to in Section 32 of the Land Act, which rights shall be deemed to include an undivided one-quarter interest in all lands described in the said grants, including the lands mentioned in clauses four (4) and six (6) hereof; provided, however, that the land fronting on the sea or other waterway shall be divided into blocks having a frontage on the sea or waterway of not less than (1,000) feet, and the selection of the**

water front lands so divided shall be in conformity with Section 32 of the Land Act.

Upon the execution and delivery of the said grants to the said E. V. Bodwell, the said E. V. Bodwell shall pay into the credit of the Chief Commissioner of Lands and Works the sum of ten thousand ($10,000) dollars in cash, as one of the terms upon which the said grants are to be made, and as a guarantee of good faith, and as security for the performance by the said E. V. Bodwell of the further conditions referred to in this Minute, and unless the Crown shall require the reconveyance of the said lands from the said E. V. Bodwell under the further conditions of this Minute, the said sum of ten thousand ($10,000) dollars shall be and remain the property of the Government.

The said grant when so executed and delivered as aforesaid shall also be deemed to have been issued subject to the following conditions: (1) The said E. V. Bodwell shall not dispose of the said lands to any person or corporation except for the purpose of establishing thereon the western terminus of the Grand Trunk Pacific Railway. (2) The said E. V. Bodwell shall, within the period of nine months from the date hereof, cause the Western terminus of the said Grand Trunk Pacific Railway to be established upon the said lands, or some portion thereof, or shall produce evidence to the satisfaction of the Chief Commissioner of Lands and Works that the said terminus will in due course be permanently established upon the said lands, or some portion thereof, and that the said lands conveyed as aforesaid shall constitute the townsite surrounding the said terminus. (3) If the said E. V. Bodwell shall fail in procuring the establishment of the said terminus as aforesaid, or shall fail within the time aforesaid to produce the evidence referred to in the sub-section last above-mentioned, then the said lands shall, upon the demand by the Crown, be reconveyed by the said E. V. Bodwell to the Crown; and if the Crown shall demand the reconveyance of the said lands, then the said sum of ten thousand ($10,000) dollars, without interest, shall be repaid to the said E. V. Bodwell; but he shall not be allowed any sums spent by him on account of surveys or other expenses connected with the grant of the said lands. (4) Before the Crown grants referred to are actually delivered to the said Bodwell, there shall be fyled with the Chief Commissioner of Lands and Works a written approval of the terms of this order, signed by the proper officer in that behalf of the Grand Trunk Pacific Railway Company.

On August 3rd, 1905, these terms were accepted as an agreement by the Grand Trunk Pacific Co. and the selection of Kaien Island and its vicinity decided upon as the Pacific terminus of the Railway. In the Legislature on Jan. 15, 1906, Mr. Macdonald, the Opposition Leader, made a forcible attack upon the Government in this connection (1) for, in effect, if not intent, giving a land bonus to the G.T.P. without Legislative enactment; (2) for introducing a wide and dangerous precedent as to the use of secret Orders-in-Council in giving away, or selling for some slight consideration, the people's land; (3) for doing something which he as a lawyer believed to be absolutely illegal and for doing it in the name of E. V. Bodwell instead of the Company of which he was merely the solicitor; (4) for, in reality, not giving the land to the G.T.P. for the public advantage but "to a clique of speculators to make a profit out of it before handing it over to the Railway." The Premier declared in reply that an honest and splendid bargain had been made for the Province:

Of the 10,000 acres the Government reserved 2,500 which it would be able to dispose to the greatest advantage, besides portions of the water-front amounting to 1,000 feet out of every 4,000. It had not given away an acre of land either, but had sold 10,000 acres and had got 2,500 back for nothing. If this contract were not carried out then the terminus would go to Port Simpson or Kitimaat. At Port Simpson the Government had no land and would gain nothing. At Kitimaat they had a certain amount reserved for the benefit of the Province, but they would not reap the same benefit they would at Kaien Island; because in consequence of the 2,500 acres which must increase in value from their proximity to the terminus it would be the means of pouring thousands of dollars into the exchequer of the country. If they had let this bargain go by the board they could not have got ten cents an acre for the land on Kaien Island, as it was third-class and unfit for anything else but townsite purposes.

Meanwhile, on Jan. 18th, certain correspondence in the matter had been laid before the House in the form of letters from Mr. Bodwell in his representative capacity. The first one was dated Jan. 19th, 1904, and proffered terms on behalf of "certain clients" very much along the lines of the subsequent Order-in-Council of May 4th but made as representing a provisional Company (presumably Messrs. Larsen, Anderson, etc.) which was to negotiate with the G.T.P. for the placing of its terminus at the point in question. Then followed the refusal to deal with any third parties and the document of May 4th names Mr. Bodwell as the Railway's representative. A further letter of Feb. 21, 1905, was signed by "Bodwell and Lawson, Solicitors for the G.T.P. Railway" and contained the following significant paragraph: "As the situation now is the lands are practically valueless; they are not fit for occupation or settlement, and can only be used for townsite or railway purposes. Under the Company's plans these lands will not form part of the town proper, that is to say, they are not likely to have any value for ordinary business lots or for residence purposes. They will be used by the Company in connection with railway service and in these circumstances and considering the fact that the Government will own a very considerable portion in the rest of the townsite it seems to us that it would be reasonable to convey an undivided three-quarters to the Company."

In the Legislature on Jan. 31st, Mr. J. A. Macdonald moved the appointment of a Select Committee "to inquire into all matters pertaining to the acquisition or attempted acquisition by the Grand Trunk Pacific Railway Company, or by another corporation, of Crown lands in the vicinity of Tuck's Inlet, Kaien Island, or other Islands, and on the mainland in the vicinity of Kaien Island." It was to be composed of Messrs. A. H. B. Macgowan, William Manson, W. R. Ross, C. W. Munro and the mover. The Premier, however, in accepting the motion, substituted Messrs. James F. Garden and H. E. Young for the first two gentlemen mentioned. This Select Committee held a number of meetings and Mr. Macdonald, with combined legal ability and political

earnestness, closely cross-examined the witnesses amongst whom were Mr. E. V. Bodwell, Hon. R. F. Green, the Prime Minister, James Anderson, W. S. Gore, a Government official, and the Hon. Charles Wilson. A much-talked of matter in connection with the case, as a whole, was the interjection of a woman's name into it through the friendly social relations of the Chief Commissioner of Public Works with her and her husband and the supposition by hostile papers, and the political Opposition, that in some such way information regarding the Government's intention had leaked out to Messrs. Larsen and Anderson. One of the incidents of the investigation was Mr. Macdonald's effort to obtain information from Hon. Mr. Green upon this point.*

Mr. Bodwell's evidence stated that Larsen's connection with the matter was chiefly to obtain influence as a contractor with the G.T.P.; that Anderson had varied business relations with Larsen and had spent much time in the effort to bring this affair to the point; that none in connection with it had made any money and that Larsen was actually out of pocket on account of surveys. Under date of Mar. 7 and with the signature of Mr. J. F. Garden, as Chairman, the Report of the Committee was presented to the Legislature. Its conclusions may be briefly condensed as follows: (1) That Larsen and Anderson endeavoured to acquire the lands in question in order to sell them to the Railway; (2) that the Government refused to deal with intermediaries and on April 29, 1904, Mr. Bodwell produced authority from Mr. C. M. Hays to act in this matter for the Company; (3) that the Company then obtained the lands under the conditions elsewhere quoted from the Council *Minute*; (4) that the Company paid the Government $10,000 as agreed and repaid Mr. Larsen $8,000 which had been advanced by him on account of surveys; (5) that James Anderson had, precedent to the acquisition of the lands, entered into an option of agreement with the Railway officials (acting for himself and Mr. Larsen) which, apparently, provided for a payment to Larsen and Anderson of $40,000 in certain contingencies—an arrangement disapproved by Larsen and at once cancelled; (6) that Larsen and Anderson were associated in other enterprises and that a year after this matter was settled the latter had received $10,000 from Larsen as a general settlement; (7) that the Railway Company was aware from the outset, through its officials, of the negotiations being carried on by Messrs. Larsen and Anderson; (8) that the arrangement by the Government was pre-eminently in the public interest and that "no member or official of the Government received any direct or indirect emolument or reward in connection with any of the matters inquired into, or any direct or indirect promise of same in the future and that the members of the Government were actu-

* NOTE—The elaborate evidence given before the Select Committee can only be referred to here in narrative form, but was published in detail as an *Appendix* to the *Journals* of the Legislature, 1906.

ated solely by a desire to secure to the Province every advantage obtainable under the circumstances."

Mr. Macdonald submitted a Minority Report which the House refused to accept or to include in its official *Journals*. It contained a repetition and elaboration of charges previously made and formed a considerable part of the party campaign material in the succeeding elections. He maintained (1) that the Government did not actually or intentionally deal directly with the G.T.P. but with "a band of adventurers (male and female) who applied for lands for purely speculative purposes"; (2) that the Government really placed a valuable asset in the hands of Anderson and Larsen to barter with the Railway Company and that Anderson did obtain an agreement from the Railway to pay himself and partner $40,000; (3) that the Government had no power to make such a grant with the assent of the Legislature and had broken both the letter and the spirit of the law; (4) that because of the secrecy otherwise maintained in the matter Larsen and Anderson were enabled to obtain other lands contiguous to Kaien Island of at least 3,000 acres; (5) that Anderson received in this connection from Larsen $10,000 salary and expenses, a share in the lands mentioned, and five square miles of coal lands further down the coast.

The subject was debated in the Legislature on Mar. 9 in pretty hot terms. In his speech Mr. Macdonald paid tribute to the fairness of Mr. Garden as chairman and regretted that Mr. Larsen and Mr. Morse of the G.T.P. had been beyond the jurisdiction of the Committee. A collateral subject dealt with by him and in the Report, and by various speakers, was the question of whether Kaien Island was properly included in the Tsimpseau Peninsula Indian Reserve. Upon this technical matter turned the charge that Larsen had been able to obtain certain locations ahead of a South African veteran who claimed to have pre-empted land thereon. The Premier in his reply quoted various proofs, including Admiralty charts, to show that the Island was really in the Reserve; pointed out that the Government had full legal right to refuse any location to South African scrip and that the "veteran" in question was simply a speculator who had purchased the scrip; denounced the Victoria *Times* and Vancouver *World* for alleged scandalous statements; described Mr. Macdonald as simply hunting for campaign material. As Leader of the Government he assumed there and then full responsibility for the whole transaction. "Step by step he had guarded the Province in every way; he had in every step insisted that the G.T.P. should be to the fore. The charge of the Leader of the Opposition meant that Mr. Bodwell was acting for a 'band of adventurers, male and female.' He would repeat in this House what he had said to the Committee—that Mr. Bodwell was a man of honour whose reputaton stood high in the Province and whom every one respected and trusted. In a similar transaction he

would take his word again." Mr. Macdonald's allegations embodied in the Minority Report were reiterated in an amendment presented to the House on Mar. 9th by Messrs. Stuart Henderson and J. R. Brown of the Opposition and voted down by 20 to 12, the majority including the two Socialists, and two Independents. On the 12th Messrs. Macdonald and Oliver moved a Resolution declaring that the Order-in-Council of May 4, 1904, "was not passed in the public interest" and this was defeated by the same vote.

Financial and Educational Conditions in British Columbia

The Hon. R. G. Tatlow delivered his Budget Speech in the Legislature on Mar. 3rd and was able to present a statement indicating prosperity and revenue conditions very different from what they had been a few years before. He described the net debt of the Province at the time of speaking as $11,218,-298 or $164,488 less than when he presented his last Budget; the revenues for the fiscal year ending June 30, 1905, as $2,920,461 or $280,000 more than the preceding year; the expenditure as $2,652,196 and the consequent surplus $268,265 with a cash credit in the Bank of $525,804. Referring to the past Mr. Tatlow said: "On the commencement of the fiscal year when we took office (June 1, 1903) we found $80,000 in the Treasury, which represented deposits on account of suitors' funds and intestate estates to the amount of $152,000, or, in other words, we were $72,000 behind, and since then we have had to pay out over $556,000 to complete the New Westminster Bridge, in addition to nearly $200,000 on other public works then under contract and which were supposed to be provided for out of the balance of the loan recently obtained."

The Finance Minister went on to claim that his surplus was due to expansion of revenue and improved industrial conditions and to point out that the estimated revenue for the past fiscal year had been $2,522,076 and the actual revenue $398,385 more than that, due chiefly to timber and land receipts, land sales and the receipt of $225,000 from the Chinese Restriction Act—the last bit of revenue from that source. He went on to speak of the necessity for continued economy, of the fact that another such surplus might not be possible for years to come, of the expectation that they would be able, however, to make ends meet. He referred at some length to the prosperous condition of the Lumber industry—owing largely to United States competition being restricted because of the home market absorbing the supply—but urged the possibility of a change in this condition at any moment and the necessity for continued effort to obtain proper protection. Meanwhile, he stated, the Provincial revenues from this source had exceeded 1904 by $162,000; Mining progress was referred to and especially the practical creation of a new Zinc industry; the room for further agricultural production was shown in the figures of $12,000,000 worth marketed in the Province as against

Sir Æmilius Irving, K.C.
Knighted by His Majesty the King, 1906.

The Hon. Sir Robert L. Weatherbe.
Chief Justice of Nova Scotia.
Knighted by H. M. the King, 1906.

a local production of only $5,000,000; the work of the Department of Agriculture at Victoria described in connection with dairying, fruit-growing, etc. The estimates for the current fiscal year (June 30, 1906) were given as follows:

Estimated Receipts.	
Dominion Subsidies	$307,076
Land Sales	125,000
Land Revenue	150,000
Timber Leases	85,000
Timber Royalties	450,000
Mining Receipts	155,000
Liquor Licenses	55,000
Sundry Licenses and Fees	70,500
Succession Duties	30,000
Registry Fees	110,000
Revenue Tax	160,000
Real Property Tax	235,000
Personal Property Tax	125,000
Land Taxes	100,000
Income Tax	75,000
Mineral Tax	100,000
Coal Royalty and Tax	100,000
Sinking Fund Interest	55,000
Miscellaneous	160,400
	$2,647,976

Estimated Expenditures.	
Interest on Public Debt	$732,924
Civil Government Salaries	271,960
Administration of Justice, Salaries	117,212
Legislation	47,415
Maintenance of Public Institutions	162,460
Hospital and Charities	112,150
Administration of Justice (General)	101,000
Education	409,075
Works and Buildings	188,100
Roads, Streets, Bridges and Wharves	445,160
Sundries	250,460
	$2,837,916

There were some extra items of expenditure not included in the total—$50,000 on account of an old railway liability and the $25,000 grant to the Municipality of Dewdney. In speaking to the subject on Mch. 6 Mr. Stuart Henderson declared that the similarity in estimates and returns indicated routine and lack of originality; declared that $12,000,000 of British Columbia money was invested in the new Provinces; criticized the bank branch system as making the local Banks mere machines for promoting Eastern interests; and urged the Government to encourage the establishment of a Provincial Banking system. Other speakers followed in more or less vehement criticism of tax conditions and details—notably Mr. Oliver—but the majority in the House and the Province, also, as it turned out, seemed to feel that there was nothing to do but bear a burden which was much greater in proportion than that of any other Province. Hence, however, the strength of the increased Subsidy demand. Speaking to the press in Victoria, on July 6, Mr. Tatlow was able to speak hopefully of the fiscal year just closed: "I expect when the accounts are completed there will be a surplus of from $30,000 to $50,000 in the Provincial treasury for the year ending June 30, 1906. When delivering the Budget Speech on Mch. 27th, 1905, I did not anticipate the large increase in revenue that has occurred and then thought there might be a slight deficiency. I am glad to say, however, that my expectations in this regard were not realized and we will have somewhere about the same surplus as at the end of 1904-5 which was about $43,000"—excluding the Chinese Restriction total of $225,000.

Education held a prominent place in the Provincial legislation of the year. During 1905 Prof. H. M. Tory, of McGill University, Montreal, had visited the Coast with a view to evolving a sort of branch institution at Vancouver and he was there again in the early part of 1906. The result of his labours was the co-operation of a number of prominent men, including Hon. F. Carter-Cotton of Vancouver, Mr. A. C. Flumerfelt of Victoria and Mr. J. W. Creighton of New Westminster, in the formation of a Royal Institution of Learning for British Columbia, based, it may be assumed, upon the functions of the Royal Institution which had controlled the original University for so many years. The Legislature was asked to incorporate this institution with the object of acquiring necessary land and buildings for the establishment of what was to be called the McGill University College of British Columbia and to be deemed a College of the Montreal Institution. Acts were duly presented to the Legislature, as measures receiving Government support, and under the auspices of the Hon. F. J. Fulton. By one the incorporation was duly granted, by the other the powers of the Royal Institution were defined. It was to have the powers indicated above; to be composed of not less than eight and not more than fifteen members—one of whom should be President; to be, in fact, Trustees and Board of Governors for the College and to include in an official capacity the Minister of Education, the Superintendent of Education, the Principal of McGill University and the Principal of the College.

This Board was to have authority to manage the financial affairs and business of the College, appoint and remove its Professors and officials, determine functions and work of the staff. The instruction given students was to be of a similar standard to that given in like subjects at McGill University and the courses of study and examinations were to lead up to the degrees provided by the Montreal institution. The Royal Institution was also given power to enter into agreements with School Trustees and City Councils throughout the Province with a view to taking charge of the High School system and higher education in localities and, ultimately, in the Province as a whole. Upon the suggestion of the Opposition Leader (Mr. J. A. Macdonald) this was amended on Feb. 6th so as to give the Governor-in-Council power to decide as to what High Schools should thus pass under the control of the University—subject also to the rights and wishes of the Municipalities concerned. Upon this latter point Professor Tory wrote the local press on Feb. 10.

The whole question was discussed with vigour in the House and some opposition was shown outside of the Legislature. Speaking to the Vancouver *Province* on Feb. 8, Mr. F. C. Wade, K.C., declared that the proposal was unfair to other Colleges, present or future, in the Province; injurious to the prospects of a Provincial University; and made the High Schools simply feeders

for a Montreal educational monopoly. Another point was made as follows: "Our Roman Catholic citizens, as a general thing, prefer to send their children to colleges and universities of their own. Should our High Schools become forcing-houses for McGill they will be absolutely debarred from preparing students for matriculation at Laval. If the Methodists prefer Victoria, there will be no preparation for Toronto University of which Victoria forms a part. Similarly the Episcopalians will be deprived of preparation for Trinity, the Presbyterians will be cut off from Knox and the Baptists from McMaster University." A series of debates took place in the House.

The promoters claimed that McGill University had done much for education in the Province and that as it was now putting up the money it had a right to reasonable terms. The arrangement, it was claimed, would facilitate the eventual establishment of a Provincial University rather than hinder it. The Premier stated (Feb. 6) that there was no thought of creating a monopoly, that McGill was the only University which had made overtures to the Province, and that, in any case, the door was left open to others if they wished to come in. Mr. A. H. B. Macgowan pointed out that there were already 15 pupils in Victoria and 25 in Vancouver taking the McGill course. Mr. Carter-Cotton declared (Feb. 8) that if the opposition resulted in McGill withdrawing its offer the Province would be a great loser. "A diploma from McGill was a valuable asset to any young man starting out in life. The latest addition to their splendid equipment was a Railway department and no less than 40 students from England had already joined." The Hon. Mr. Fulton stated that, through affiliated Colleges, McGill had for 8 years been helping higher education in the Province but that the time had come for a further advance:

> There had been on the Statute Books of the Province a law authorizing the establishment of a University, but the cost had hitherto been prohibitive. The cost of establishment would be from $200,000 to $400,000, and the cost of maintenance, $50,000 a year. The equipment of an Applied Science department would cost several million dollars. How could the Province face that? It was proposed by McGill to make a small beginning and then to develop. At first McGill proposed to give two full years in Arts and Science, and a course in Chemistry and Biology as a foundation for a Medical course. It was proposed to grant special certificates to students completing the two years' course in Arts. Students would in two years be able to complete their course as follows: (A) Arts in all departments; (B)—1. Architecture. 2. Chemistry. 3. Civil Engineer and Surveying. 4. Mining Engineering. 5. Metallurgy. 6. Transportation. 7. Electrical Engineering. At this stage those students who desired to complete the course would go to McGill to finish and they would have the great advantage of only having to spend two years there instead of four. It was regrettable that in sixteen years it had not been possible to put the University Act of 1890 into operation, and he believed it would be twenty years longer before it would be

possible to do anything. Sir W. C. Macdonald had promised an endowment of $5,000 a year and more if required. There would be a staff of 18 professors in charge of the College.

The Opposition criticized the measure chiefly upon the two points of creating a practical monopoly in University work and granting excessive powers in connection with the High Schools. Mr. Macdonald's followers, however, did not always follow him although upon several amendments the Government majority was reduced to 3. One of these was a motion by Mr. Hawthornthwaite, Socialist, declaring that nothing in the Act should give the new College "any special privileges, or powers, or any control of the public educational institutions" of the Province. The vote against this was 18 to 15. Mr. Oliver, a vigorous critic of the measure, moved that its agreements should be for one year only and renewable from time to time but this was defeated by 17 to 14; as was another declaring that the Royal Institution should have no "prior or exclusive rights" under the Act. The Bill passed its 3rd reading on Feb. 20 by 24 to 14.

Following upon some vigorous interviews and letters of protest against this proposal and policy Mr. F. C. Wade, K.C., with Mr. G. H. Cowan, K.C., headed a deputation to the Government on Feb. 14 and urged the setting aside of a considerable portion of the public lands for site and endowment of a Provincial University. It was alleged that, otherwise, this McGill scheme would kill the University project. A public meeting was held at Vancouver on Feb. 27 with Judge Henderson in the chair and a number of clerical speakers together with Mr. Cowan and Mr. Wade. The Rev. Principal Sipprell, of Columbian College, New Westminster, argued strongly for a Provincial University, curricula, examining board, etc. A Resolution was passed in favour of reviving the British Columbia University Act and of endowing the institution of the future with a grant of land. The Methodist Conference in May took great interest in this question of founding a Provincial University as did the Presbyterian Synod gathering; the Baptist Convention of July 12 passed a resolution in favour of reserving one-fourth of the public lands for an University endowment; the Victoria *Times* of May 8th declared that Hon. Mr. Dunsmuir would probably contribute largely to such a purpose and that Lord Strathcona, or the Hudson's Bay Company, was prepared to contribute a splendid site overlooking Cadboro Bay; the New Westminster Board of Trade (May 9) endorsed the proposal and suggested a location between that City and Vancouver; the Nelson University Club (July 16) urged the immediate grant by the Province of an endowment in land or money.

Meanwhile the Royal Institution held its first meeting in Vancouver on Mch. 20 and, in addition to Hon. F. Carter-Cotton, Mr. J. W. Creighton, Hon. F. J. Fulton, Mr. Alex. Robinson, Superintendent of Education, and Mr. A. C. Flumerfelt, the fol-

lowing were elected to the Board: Dr. Turnstall, Campbell Sweeney, D. Robertson, Ralph Smith, M.P., Lieut.-Colonel Gregory of Victoria, Dr. Eaton of Victoria, W. P. Argue, R. P. McLennan, James Ramsay, and J. B. Ferguson. Mr. Carter-Cotton was elected President, Mr. Flumerfelt Vice-President and Mr. Argue, Secretary. An elaborate statement as to objects, proposed work, necessities, course of study and general operations was presented and, later in the year, a public appeal was made by its officers for $100,000 to help in starting the institution. On Dec. 18th the teaching staff was announced as including Mr. J. C. Shaw, M.A., acting-Principal and Dean of Faculty, with the following Professors: L. F. Robertson, Greek; G. E. Robinson, B.A., Pure and Applied Mechanics; J. Kaye Henry, B.A., English; Henri Chodah, M.A., Modern Languages; H. K. Dutcher, M.SC., Civil Engineering; J. G. Davidson, M.A., Physics.

Another matter of legislation was the amendment of the Public Schools Act introduced by Hon. Mr. Fulton. On the second reading (Feb. 16) he explained the situation and proposed changes. He said that when the Act had been passed it was anticipated that some defects would develop and this was an attempt to remedy them as far as they were known. The Act had been severely criticized from the Opposition benches but these attacks were not based on experience. The Leader of the Opposition had spoken of general dissatisfaction and the resignation of trustees. "In reply to this he could only say that in more than 285 districts there was only one in which the meeting failed to elect trustees, four had protested against the Bill and in one the trustees had refused to act. In 124 meetings it was decided to raise the increased funds required by a supplementary tax." The principal change proposed by the present Bill was in respect of rural municipalities which were to be placed on the same footing as city school districts. "They had the necessary machinery and it was well that they should use it. He proposed, however, to increase the number of school trustees from five to seven. Another important change was in Section 16. At present the supplementary grant was payable half yearly; but in future it would be paid quarterly in city districts and monthly in rural districts. Another change was to include in assessable property for school purposes mines unworked, Crown-granted mineral claims, and railways. In many districts mines were practically the only property which could be assessed. Other amendments were merely to give effect to these principal amendments." Opposition members continued their denunciations of the preceding year. One speaker declared that only the poor men were taxed to pay for the operation of the Act and Mr. Oliver described it as worse than anything in Russia and expressed his surprise that the people had not risen in rebellion. The amendments became law in due course. The Educational statistics of British Columbia, in the fiscal years 1905 and 1906, were as follows:

Educational Statistics of British Columbia.

	1904-5.	1905-6.
Pupils enrolled in all Schools	27,354	28,522
Number of Boys	14,104	14,524
Number of Girls	13,250	13,998
Average Daily Attendance was	19,152	19,808
Number of Pupils enrolled in High Schools	1,090	1,236
Number of Pupils enrolled in Graded Schools	18,836	19,490
Actual Daily Attendance	13,283	13,981
Number of Pupils enrolled in Common Schools—		
Boys	4,127	3,955
Girls	3,801	3,841
Average Daily Attendance	4,820	4,683
Total Number of Teachers Employed	663	690
Amount expended by Incorporated Cities	....	$244,197
Amount expended by the Government	$433,005	$418,227
Cost of each Pupil on enrolment	$15.82	$14.06
Cost of each Pupil on average actual daily attendance	$22.95	$21.44

Government and Conditions in Yukon Territory

Outside of actual mining work and development the most important incident of the year in this region was the Mining Code prepared and compiled by Mr. Commissioner McInnes at the request of the Dominion Government, with the aid and approval of the Yukon Council, and after consultation with all the chief interests involved or individuals concerned in the industry. The draft of a new Lien law and a Memorial as to the need of water in local mining operations were also prepared. The chief mining innovations proposed were (1) the abolition of concessions and the allowance of extensive operations in the future by the combination of small or ordinary claims; (2) the abolition of Miners' licenses; (3) the reference of disputes over distribution of water, boundaries, dumping ground encroachments, etc., to an Arbitration Board appointed by the Gold Commissioner or Recorder whose judgments were to be final except on points of law and then with no appeal higher than the Yukon Courts; (4) providing that distant prospectors could file records six months after staking and that an owner could abandon his claim on any Creek at any time by giving notice to the Recorder and then locate elsewhere on the same Creek; (5) authorizing the Commissioner to allow the survey of base-line, or side-line, claims at Government expense; (6) allowing ground leases from one to five years at fees of $10 for one year and $70 for five years with forfeiture at the end of a year unless $200 worth of work had been done annually. It was further provided that no title should be contested by anyone who did not claim adverse rights, except by leave of the Commissioner, that seepage water was to belong to the claim where it originated, and that all owners were to do work according to the share owned or else the ground would lapse to their partners.

This Code was the chief subject of discussion in the Yukon during the winter and in February the Commissioner went to Ottawa to present his conclusions and to deal with the vital water

question, the matter of transportation rates, the problem of existing large concessions lying idle and, it was claimed, blanketing some of the richest gold fields in the Yukon. To the Victoria *Colonist*, on his way east (Feb. 18), Mr. McInnes said that the mining laws had to be changed in order to attract the capital which was vital to continued development. He had also to suggest an extensive scheme of civil service reform. Of the future he expected much. "I believe the future of the Yukon Territory will be incomparably greater than its past. There is a disposition among outsiders to regard the Yukon as a played-out mining camp. That is entirely erroneous. We are approaching a time, nearing it rapidly, when the prosperity of 1896 will be exceeded and it will not be prosperity of the glittering tin-pot type either. The Yukon is not a place for one-man mining. It used to be considered so; in fact, it used to be like every other mining place. But that order of things is gone. The hills of gold-bearing gravel are immense, and the methods employed in mining them are of the best." He thought that under the dredging system $20,000,000 at least would be the annual production. At Windy Arm he had, himself, seen a sheer perpendicular cliff of 1,000 feet high "with a vein of silver running the whole height between clearly-defined walls and glistening in the sun." On May 22nd the Commissioner was at Seattle on his way back to Dawson, and in a press interview stated that the Yukon would participate in the proposed Alaska-Yukon Pacific Exposition of 1909.

The Commissioner was again in Victoria and Vancouver on his way to Ottawa early in December but would give no information except that he was going on Departmental business. A few weeks later his resignation was announced and he had plunged into the political fight in British Columbia. Meanwhile, on Nov. 14th, an elaborate banquet had been given at Dawson to the departing Commissioner with every kind of complimentary expression as to his two years of rule. In his speech he paid warm tribute to the loyal work of the Civil Service, to the honesty of the press, to the comparative political harmony which now prevailed in the Territory. His conclusion was that the Yukon had really "awakened to a second and a new life" and that the banquet was itself an illustration of the prevailing harmony of feeling. It may be added that on Christmas Day Government House, containing much personal property of the retiring Commissioner, was burned.

The Yukon was much discussed in Parliament during 1906—especially in connection with the passage of the Mining Act which is referred to in another Section of this volume. On May 8 Mr. R. L. Borden drew attention to the composition of the Yukon Council—six members appointed and five elected—and to Resolutions which had been recently passed in favour of a wholly-elective Council at a mass-meeting in Dawson and by the local Young Men's Liberal Club. It was understood that the Govern-

ment favoured the retirement of the existing appointive members —who were also Federal officials—and the selection of their successors by the Commissioner. Against this vigorous opposition was expressed. Mr. Borden, in his few remarks, said that he could see no reason against an Elective Council. The Hon. Mr. Oliver, in reply, said that the Resolutions had evidently been passed under a misapprehension as to the Government's intentions. At present more important affairs in connection with the Yukon were before them and no decision had been come to in the Council matter. Dr. Thompson, the member for the Territory, urged complete autonomy, stated that outside of the Mounted Police maintenance, the Yukon might be able to pay its way financially. "What the people want at the present time is a fully elective Council."

On June 22nd a debate took place upon the initiative of Dr. Sproule (Cons.) regarding the conduct, or alleged conduct, of sundry Yukon officials including Judge Dugas—who, however, as Sir Wilfrid Laurier pointed out, was not an official of the Government or under its control. Mr. R. L. Borden expressed the opinion, without accepting the truth of the charges, that there should be an investigation. There the matter rested. A week later Mr. Borden brought up and presented to the House two elaborate Resolutions passed by Yukon mass-meetings and protesting (1) against the continuance of the extensive Boyle concession and (2) asking for an elective Council. The Boyle concession, which had been in existence for some years, covered a strip of territory 6¾ miles in extent along the valley of the Klondike River; and the miners wanted either to see it worked or to work it themselves. The Minister of the Interior made this statement in the matter: "The Boyle concession is a very large one. It has lain there for many years but during the past year the holders of the Concession have spent $300,000 in putting in a dredge and have operated that dredge and it seems to indicate a profitable working of the lease. While we do not admit that the amount of work these people claim to have done is an efficient working of their leasehold, yet as they have made as good a beginning as they have, which appears likely to be successful and which is not only likely to be successful in this instance, but is likely to demonstrate the general success of this particular method of mining profitably a great part of the Klondike area, we do not feel that at the moment we would be justified in interfering with them." In connection with the Opposition claim that $57,000 a year in the salaries and allowances of eleven officials for governing 10,000 people was excessive, some interesting figures as to the cost of living in the Yukon were quoted by Hon. Mr. Aylesworth on July 9th from a Memorandum given him by Dr. Thompson:

For example, he states that flour which might be had for $4.50 a barrel in Ontario, costs from $14 to $17 in the Yukon. Potatoes are sometimes $10 a bushel and often $20. Fresh eggs are from $3 to $4 a

dozen, packed eggs from 50 cents to 75 cents. Milk is 35 cents a quart. Wood is almost impossible to be had, except soft and comparatively useless wood, and that sells at $15 a cord. Beef, mutton and pork cost 50 cents a pound. Coal $15 per ton, and that poor lignite; fish from 30 cents to 40 cents a pound; apples $30 a barrel. Servants it is almost impossible to get at from $75 to $100 per month, with their board. Comparatively trifling expenses such as laundry are five times at least what they are in Ontario, the charge for shirts being 50 cents apiece, and everything else in the same proportion. Medical attendance which would cost $1.00 a visit in Ontario, costs $10 a visit in the Yukon. Horse-hire, which costs from $2 to $3 a day here, costs in the Yukon $15 for a single horse and $25 for a double team for a day. Everything else seems to cost in the same proportion.

Some important Dominion regulations were made after the Commissioner's visit. An Order-in-Council of May 10 rescinded previous rules as to timber licenses and enacted the following clause: "Permits may be granted by the Crown Timber Agent for the Yukon Territory, to cut timber within specified districts upon payment of an office fee of five dollars and of dues on the timber cut at the rate of four dollars per thousand feet B.M., and of ten per cent. *ad valorem* on the products of the berth not specified in this nor in any other Order-in-Council governing the granting of permits in the Yukon Territory; such permits to be issued subject to the rights of the miners who hold free miners' certificates to cut such timber as they may require in connection with the operation of their mining claims." Another Order, dated July 5th, quoted from a Memorandum of the Minister of the Interior as to the urgent necessity of utilizing the waters of the streams and lakes in the Yukon in generating power for the efficient working of the mines and submitted detailed regulations which had been approved by the Commissioner of the Territory. By them the Minister was given authority to grant water for 20 years with the object of generating power, after public notice of application had been made, and with the following definite conditions:

1. Every holder of a grant shall take all reasonable means for utilizing the water granted to him, and if he wilfully wastes any water or takes a quantity of water in excess of his actual requirements, or fails to return the water as stated in the said notice, the Minister may, upon notice, cancel, or reduce the grant, or impose such conditions as he may think proper.

2. Every grant of water shall be subject to the rights of such miners as shall at the time of such grant be working on the stream above or below the ditch head, and to the rights of any other persons then or thereafter lawfully using such water for any purpose whatsoever.

3. The location of the proposed ditch or channel for water power purposes, including the location of the intake, and of the point of the discharge shall be subject to the approval of the Commissioner of the Yukon Territory.

4. The holder of the grant with the privilege of selling the power may distribute the power to such persons and on such terms as he may deem advisable within the limits mentioned in his grant: Provided always that the price of the power and the distribution thereof shall be subject to the control of the Commissioner of the Yukon Territory.

5. A fee shall be charged for every grant according to the number of miners' inches of water granted, such fee to be as follows:—For fifty inches or less, $10 ; for from fifty to two hundred inches, $25 ; for from two hundred to one thousand inches, $50 ; for every additional one thousand inches or fraction thereof, $50.

Transportation charges were largely discussed. Mr. J. W. Tyrrell, the well-known Mining Engineer and traveller, told the Toronto *World* on Jan. 26th that these charges made the cost of living so high that mining could not be carried on economically. "The White Pass-Yukon Railway is paying five per cent. on a capitalization of $10,000,000. It is not likely that one-fifth of that amount has been actually invested in the road. The Dominion Government ought to make an exploration with a view to the building of a line into the Yukon from some point on the Grand Trunk Pacific in British Columbia. From this point to the heart of the Yukon might require a road 1,000 miles in length, but he believed the country between the Grand Trunk Pacific and the Yukon to be as promising as the Cobalt country in Ontario had proved and, therefore, it would be a good investment for the Government." In July the *International Railway Journal* urged the value of a railway through the central valley of British Columbia running north and south and some 700 miles in length. "Apart altogether from its political value to the Dominion such a road would open up a country rich in gold, silver, copper, lead, zinc, coal and other minerals, and would, incidentally, cross the lines of all the present or projected Canadian trans-continental lines." It was claimed that this was just what the Grand Trunk Pacific proposed to do by means of its Hazelton-Dawson branch.

During the summer the Hon. A. C. Killam and Mr. James Mills went to the Yukon to investigate the charges as to heavy freight rates on the White Pass and Yukon Railway. They heard both sides. The chief witness for the Dawson Board of Trade claimed that the country could not succeed until better rates were given by the White Pass Company; that it would be in the interest of the Company itself to reduce the rates, but it now had a monopoly and was grinding out the last dollar the traffic would bear. On the other hand, Mr. S. H. Graves for the British Yukon Company claimed that the rates were giving no more than a fair return to people who had invested their money in a precarious undertaking which at any time might become of little value if the mining industry should fail. The Company was receiving under 7½ per cent. on its investment. Rates had been greatly reduced since the route was opened, and the population was now less than when the rates were higher. The changed conditions rendered it impossible for individual miners to work the ground; it could only be worked now by the introduction of large machinery and the working of this machinery would not require a large population, though the output in gold might be considerable. Incidents of the year included the fact that the trade of the

Yukon, carried on from Vancouver *via* Skagway, was largely in British or Canadian vessels totalling, in the 1906 season, 17,569 tons as compared with 3,822 tons in American vessels; that the Canadian Klondike Mining Company, Limited, did much in the way of drilling and prospecting though as Mr. S. Rothschild said to the Victoria *Times* on Aug. 2 the Government had as yet spent nothing on water for them whereas the American Government had expended some $70,000,000 in providing water for the famous and productive mines of their country; that the cancellation of Hunker Creek leases held by the Klondike Government Concessions, Ltd., was alleged to have given Yukon mining investments a bad name in London although the action was taken for the stated non-expenditure of the necessary yearly sum on Mining operations; that the Government Telegraph line continued to show a heavy deficit between earnings and expenditures; that Mr. F. T. Congdon, the much-discussed Yukon politician, was presented on Oct. 11 with an illuminated Address by a gathering of Dawson friends.

An extraordinary incident occurred early in the year in connection with the intense desire of the people for water and an increased rainfall. A contract was entered into between a number of the larger mine-owners and operators in the Klondike district, the Government of the Territory, and Mr. C. M. Hatfield, of Los Angeles, who had conducted experiments in the way of facilitating rain in the arid districts of California. Under the terms of the contract if he could produce " a sufficient rainfall to ensure, as far as an ample rainfall would, a successful and prosperous summer in the placer-mining industry "—the fact to be determined by a Board appointed by the several parties to the contract—he was to receive the sum of $10,000, of which $5,000 was to be contributed by the mine-owners and operators and $5,000 by the Territorial Government. In the event of the Board determining that he had not been successful he was to receive the actual travelling and living expenses of himself and assistant from Los Angeles to Dawson and return.

The appropriation of $5,000 by the Territorial Government was unanimously approved by the Yukon Council. Mr. Hatfield arrived in Dawson on June 5, and commenced his demonstrations on June 11, about thirty miles from Dawson. On Hunker, Sulphur, Gold Run, and Dominion Creeks, the rainfall for the month of June was above the average but on Bonanza and Eldorado it was below the normal quantity. During the early part of July there was no increase over the average of former years. Accordingly, at a meeting of the Board, held at Dawson on July 23rd, it was decided that the contract had not been carried out and that it should now be terminated. The Yukon Government paid $1,153 to Mr. Hatfield in full settlement of all its liability. The matter was discussed during the Parliamentary Session and some sharp things said by Hon. G. E. Foster regarding this rather desperate effort.

IX.—INTER-PROVINCIAL CONFERENCE AND RELATIONS

Preliminary Action regarding the Conference

There were many matters at issue between the Provinces and the Dominion at the beginning of 1906 and some were complicated by differences in politics as the settlement of others was facilitated by harmony in that connection. There was, however, only one upon the essential importance of which all the Provinces were agreed and as to the settlement of which all and each hoped for some result from a Conference. As to the rest, Manitoba, Ontario and Saskatchewan each wanted an extension of boundaries to the Hudson's Bay; New Brunswick, Quebec and Prince Edward Island pressed for a division amongst them, and the other Maritime Provinces, of the Award given at Halifax in 1877 by which the Dominion had received from the United States $4,900,000 in connection with the Atlantic Fisheries dispute; Prince Edward Island urged its claims to continuous winter communication with the mainland or else the construction of a Tunnel under the Strait; British Columbia wanted special financial consideration because of its geographical position, small population, great resources and large contribution to Federal taxation; Manitoba wanted control of its Swamp lands and its School lands and the extension of its boundaries.

In popular importance, however, everything was dwarfed by the desire and general Provincial demand for a re-adjustment of the Federal Subsidies. First the Inter-Provincial Conference of 1887 and then the Conference of 1902 had been held. The former had passed Resolutions and the latter had promulgated and presented a plan to the Dominion Government which had been hanging fire ever since. The Provinces proclaimed* (1) the impossibility of fixing in 1867 a permanent subsidy which should be adequate to conditions then and since; (2) the desire of the framers of Confederation to make the financial provision a fitting one for the maintenance of future Provincial interests; (3) the undoubted lack of means in several of the Provinces to provide for the requirements of Government and production; (4) the enormous increase of customs and excise duties since 1867 and the fact that these great sources of revenue had been given up in exchange for small stationary subsidies; (5) the fact that continuous increase in population also involved added Provincial expenditures with no concurrent increase in Dominion grants.

* NOTE— See *Canadian Annual Review* for 1902, pages 42-45.

During the early part of 1906 the Speech from the Throne in nearly every Province of Canada referred to the probability of a coming settlement of this question; most of the Legislatures passed Resolutions demanding a re-adjustment of existing arrangements upon the basis laid down in 1902; the Budget speeches referred in nearly every case to a pending solution of the matter; and the Liberal Premiers used every effort to influence the Ottawa authorities toward a favourable decision. Quebec was particularly active and Mr. Premier Gouin in various speeches urged the claims of his Province in vigorous terms. He was well supported in this connection by both colleagues and followers. A special campaign in favour of better terms was commenced in a Resolution passed at Montreal by the Letellier Club on Jan. 31st, with 300 persons present. It declared that the Provinces had given up much revenue at Confederation to the Federal power; that the Provincial expenses had since then been much greater than the Fathers of Confederation had expected; that Sir Wilfrid Laurier should now render justice to the Provinces and support Hon. Lomer Gouin in his efforts to that end. Various other organizations in the Province passed similar Resolutions.

At a Dinner given to Major G. W. Stephens, M.L.A., in Montreal on Mar. 31st, he made a strong presentation of financial conditions and the need of the Province for more Dominion aid. He pointed out that from the Subsidy to the Province—a Subsidy based on so much per capita, which in turn was based on the population of 1867—the Province was under obligation to provide the cost of public instruction or education, to maintain the Provincial institutions, to care for the Insane, and to defray the cost of all Provincial services. The Subsidy had remained the same from 1867 until 1906 while their population had increased over half a million and the demands upon the Government had increased proportionately. Under the circumstances, he thought it was a just claim on the part of the Provinces that there should be a re-adjustment of these Subsidies. On May 9th the Legislative Committee of the Montreal Board of Trade reported to its Council that, after looking into the question at the request of the Provincial Premier, it was of opinion that " the Provincial Governments are justified in their request for a re-adjustment of the Subsidies so as to meet the altered conditions arising from large increases in population and in expenditures." Meantime, the Hon. Mr. Gouin had visited Manitoba, Ontario and the Maritime Provinces and been instrumental in bringing combined and special pressure to bear upon the Federal authorities.

Similar considerations seem to have actuated Ontario's final action in the Conference, if we may judge from the following paragraph in the Memorandum afterwards submitted:

> With reference to the situation when the terms of the British North America Act were under discussion, we have not been able so far to discover an utterance of any public man at Confederation pointing to the conclusion that the then arrangement was to be considered final. The

apparent absence also of any suggestion anticipating the possibilities of the future of the provinces and of the Dominion, seems also to show that those most interested did not go further into their consideration of the subject than the situation at the moment. And it would have been indeed strange had they attempted to legislate for posterity and, on behalf of the four provinces then about to unite, assumed to bind for all time the nine provinces now interested and the greater number undoubtedly to be interested in the future. In our opinion these considerations prove that the eminent statesmen and publicists who were dealing with this matter fully realized what we have endeavoured here to indicate.

There were some different points of view as to the proposed Conference. To little Prince Edward Island its expected decision was a matter of financial life and death. Taxes were already imposed on incomes, land, corporations, companies, banks and commercial travellers with a continuous annual deficit. Ontario was somewhat indifferent as yielding so much of the national revenue out of which these Subsidies had to be paid. It was also pointed out that in the next few years the Dominion would have to meet or renew $140,000,000 of old loans, raise about $100,000,000 for the National Trans-continental Railway and deal with a capital expenditure of perhaps $12,000,000 a year besides, so that any substantial addition to its burdens might not be altogether wise. Mr. Premier Whitney did not, in fact, commit himself in the matter and in *The Globe* of Sept. 2nd, referring to the 1902 Conference, he said: " The present Government was not then in office, and while we will attend the coming Conference we do not feel committed to the terms of the Resolutions adopted in 1902 or to the reasons given for their adoption at the time." In Manitoba the conditions were complicated by the existence of surplus revenues, political hostility to the Ottawa Government, strong feelings as to alleged ill treatment in the Boundaries matter, and complaints regarding unfair action in other directions. The position of the Pacific Province was well put by *The Colonist* on Jan. 14th as follows: " British Columbia is the only Province in the Dominion in which there is direct taxation. Here we derive about $800,000 from that source. In any of the other eight Provinces a proposition to impose direct taxes would, as an Eastern exchange expressed it, put any Government ' out of business ' that attempted it. In British Columbia it would be impossible to conduct public business without resort to taxes."

Meanwhile the Dominion Government had been considering the subject. Sir Wilfrid Laurier's letter to the various Provincial Premiers, dated Nov. 15th, 1905, had promised an early presentation of their request for a Conference and careful consideration of the matter in a full Council meeting; and some of the speeches or interviews given in the Provinces during the next few months indicated informal discussions between Federal and local leaders. Speaking at Knowlton, on Sept. 6, Hon. Mr. Fisher said: " I am not giving away Cabinet secrets, but as a member of the Government at Ottawa, I can say that Sir Wilfrid

Laurier has arranged within the next few weeks to meet the Premiers of the various Provinces and to listen to the case they are able to make out for increased Subsidies. I am also right in assuring the people that if the case made out be good and strong we will have to yield to it—but they will have to make it good and strong before we can yield to it." A little later, in accordance with a circular letter from the Federal Premier, dated Sept. 10, the Conference was called at Ottawa for October 8, following, in order "to discuss the financial Subsidies of the Provinces."

Proceedings of the Inter-Provincial Conference

The conditions facing the Conference when it actually met may be briefly indicated. The Provincial debts assumed at Confederation by the Dominion Government had totalled $77,500,000; debts subsequently assumed or allowed, $31,930,148; a general re-adjustment of terms had taken place in 1873 in connection with the ten and one-half millions of additional debt pertaining to the old Province of Canada which it was found had to be dealt with. In connection with the pending demand of British Columbia for special terms and conditions it may be added that Nova Scotia obtained "better terms" in 1868 as an outcome of Secession conditions and the existence of local grievances; New Brunswick in 1873 was allowed a special sum as compensation for loss of an export duty on logs (under the terms of the Treaty of Washington) which had been in force since 1842; Nova Scotia had certain Railways taken over in 1885 by the Government of Canada and added to the Intercolonial Railway for which it was paid $1,324,000; in 1901 the Province of Nova Scotia received $671,836 and the Province of New Brunswick $280,692 in satisfaction of certain railway claims; while Prince Edward Island in the same year received a $30,000 additional annual grant from the Dominion Government in satisfaction of its claim for damages in the matter of steam communication with the mainland. The Subsidy recommendation of the 1902 Conference was as follows:

(A) Instead of the amounts now paid the sums hereafter payable yearly by Canada to the several Provinces for the support of their Governments and Legislatures to be as follows:

(a) Where the population is under 150,000	$100,000
(b) Where the population is 150,000, but does not exceed 200,000	150,000
(c) Where the population is 200,000, but does not exceed 400,000	180,000
(d) Where the population is 400,000, but does not exceed 800,000	190,000
(e) Where the population is 800,000, but does not exceed 1,500,000	220,000
(f) Where the population exceeds 1,500,000	240,000

(B) Instead of an annual grant per head of the population now allowed, the annual payment hereafter to be at the same rate of eighty cents per head, but on the population of each Province as ascertained from time to time, by the last decennial census, until such population exceeds 2,500,000 and at the rate of sixty cents per head for so much of said population as may exceed 2,500,000.

This Resolution had been approved by the Legislatures of all the Provinces at that time with the exception of British Columbia and during 1906 that approval was re-expressed by all the Provincial Legislatures excepting those of Ontario and British Columbia. During the Conference which opened on Oct. 8 the following Delegates were present: From Ontario, Hon. J. P. Whitney, Premier, Hon. J. J. Foy, Hon. A. J. Matheson; from Quebec, Hon. Lomer Gouin, Premier, Hon. W. A. Weir, Hon. Adélard Turgeon; from New Brunswick, Hon. L. J. Tweedie, Premier, and Hon. Wm. Pugsley; from Nova Scotia, Hon. G. H. Murray, Premier, and Hon. Arthur Drysdale; from Prince Edward Island, Hon. Arthur Peters, Premier, and Hon. George E. Hughes; from Manitoba, Hon. R. P. Roblin, Premier, and Hon. C. H. Campbell; from British Columbia, Hon. Richard McBride, Premier; from Saskatchewan, Hon. Walter Scott, Premier, and Hon. J. A. Calder; from Alberta, Hon. A. C. Rutherford and Hon. C. W. Cross. The representatives of the Dominion Government who were present, at certain times, in joint conference with the Provincial Delegates were the Rt. Hon. Sir Wilfrid Laurier, Prime Minister, Hon. W. S. Fielding, Hon. A. B. Aylesworth and Hon. Rodolphe Lemieux. At the opening ceremonies the Conference was formally welcomed by Sir Wilfrid Laurier and Mr. Premier Gouin of Quebec was elected President. Messrs. Joseph Pope, C.M.G., and Charles Lanctot were appointed Secretaries.

A sub-committee was then appointed composed of Messrs. Gouin, Weir, Murray, McBride, Pugsley, Foy and Campbell to see if the financial Resolutions of 1902 could be adopted to suit the unanimous wishes of the present Conference. As eventually decided by the Conference itself after an animated discussion in which various Provinces were anxious to guard their right of further appeal to the Federal power, in specific directions, it was unanimously determined that "the subject-matter" of the Resolutions of 1902 "be now pressed upon the Government of the Dominion for immediate and favourable action, under reserve of the right of any Province to now submit to such Government memoranda in writing concerning any claims it may have to larger sums than those set out in the said Resolutions or in additional consideration and recognition." It was also unanimously resolved that the population according to the last decennial Census should govern except in the four Western Provinces where the existing statutes in that behalf were to prevail; that the Provincial Governments should receive from the Dominion an amount sufficient to meet the costs of the administration of criminal justice, not exceeding 20 cents per head of the population; and that the Dominion Government should, if it approved the increased Subsidies proposed, enact legislation at the next Session for immediate payment of such increased amounts pending an amendment to the British North America Act if such were necessary. The Premiers of Quebec and Ontario were appointed a Committee

to present these Resolutions to the Dominion Government and this they did on Oct. 10th.

On Oct. 13th Sir Wilfrid Laurier informed the Conference that the Dominion Government had decided to accept the financial Resolutions of the 1887 Conference practically as presented and already quoted above from the 1902 Conference Resolutions with a further proviso that the basis of arrangement should be " a final and unalterable settlement." His Government would not, however, agree to assume the cost of administering criminal justice nor would it undertake to ask Parliament for payments in advance of the necessary Amendment to the B.N.A. Act. Meanwhile elaborate Memoranda had been presented by the Provinces of Ontario and British Columbia. The Ontario Memorandum, signed by Mr. Premier Whitney and Messrs. Foy and Matheson, declared the Ontario Government to be " strongly in favour of some definite and permanent arrangement regarding the Subsidy question; one which will render unnecessary and indeed impossible periodical applications for re-arrangement of the Subsidies." There was no doubt, it was stated, that the public men of Confederation days did not regard the arrangement then made as final and that the situation at that time, with limited customs and excise duties, was chiefly considered and not the future, with all the immense sums now raised by Federal taxation from those sources.

It was also pointed out that no question of principle was involved as the Dominion Government had on more than one occasion changed the financial terms accorded the Provinces or some of them; that as the Dominion was not burdened with the responsibilities of an independent nation the functions of its Federal and Provincial Governments were very similar in a financial sense and dealt with concerns of purely domestic import; that the Provinces spent large sums on Immigration and contributed with their growing population an increased consumption of goods or products paying tariff duties and excise, which population in turn caused increased Provincial expenditures without corresponding increase in revenues; that in the new Australian Commonwealth there was collected in 1905, $42,824,379 for purposes of Federal revenue and out of this $34,756,117 was paid back to the different States, while in Canada $54,020,123 was similarly collected and only $4,516,038 handed back to the various Provinces. In conclusion the Memorandum stated that while Ontario was not anxious to emphasize the large share of Dominion revenue which it contributed that fact should, at the same time, be a basis for careful consideration of its claims and especially in regard to the small proportion of Federal railway expenditure in that Province. " In the future no special grant, at any rate, should be made to any one Province."

British Columbia's case for special terms was a very elaborate one and its claims, with the prominent part taken in the con-

ference by its Premier, are dealt with further on. It was supposed that various subjects in addition to that of Subsidies would be discussed but the official Report indicates only consideration, without stated results, of alleged discrimination against Dominion Charters by Provincial authorities; a decision by the Premiers concerned to propose to their respective Legislatures the repeal of taxes on Commercial travellers; and a statement by Sir Wilfrid Laurier as to the inconvenience of divided jurisdiction in the matter of Fisheries. According, however, to semi-official reports in the press several other subjects were discussed. Provincial reciprocity in the practice of Medicine and Dentistry; uniformity in the levy of Succession duties; the territorial boundaries of the Provinces; and the granting of charters by Federal authorities to companies organized for Provincial purposes. It was stated, with authority, that the Dominion Government itself presented for consideration the question of aiding Technical education, of discrimination in the matter of taxing charters, and of the Provincial taxes on Commercial travellers; and that a Resolution was passed in favour of holding the Conference annually—the meetings to be convened by the Premiers of Ontario and Quebec. The matter of Technical education was adjudged a purely Provincial concern. A further Conference was arranged to be held on Nov. 12th between the Dominion Government and those of Manitoba, Saskatchewan and Ontario to deal with the question of Boundaries. The net financial result of the Conference—depending, however, upon approval by the Dominion and Imperial Parliaments of an amendment to the B.N.A. Act—was as follows:

Province.	Existing Subsidy.	Proposed Subsidy.	Increased Subsidy.
Ontario	$1,339,287	$2,128,771	$ 789,484
Quebec	1,206,413	1,806,278	599,865
Nova Scotia	432,805	610,464	177,659
New Brunswick	491,360	621,360	130,000
Manitoba	646,862	776,862	130,000
British Columbia	307,076	522,076	215,000
Prince Edward Island	211,931	281,931	70,000
Alberta	1,124,125	1,254,125	130,000
Saskatchewan	1,124,125	1,254,125	130,000
	$6,883,984	$9,255,992	$2,372,008

Meanwhile a banquet had been tendered the Delegates by the Canadian Club at Ottawa, on Oct. 9th, with Major P. B. Taylor in the chair. Sir Wilfrid Laurier was present and all the Premiers with the exception of Mr. Tweedie. The Dominion Prime Minister in a tactful and clever speech mildly intimated that the Subsidy principle was not altogether a good thing but that out of the evil had come good to Canada in the form of greater unity and harmony. Mr. Whitney proclaimed himself an optimist as to the position and progress of Canada and the unity of the Empire; Mr. Roblin declared that Manitoba would, one day, produce two thousand million bushels of wheat and was, in the meantime, going to make new settlers reverence the flag and institutions

of Canada; Mr. Gouin pointed to the need of combining local loyalty with love of country; Mr. Murray referred to the vital import of Education in controlling the future; Mr. Peters proclaimed his faith in "a United Canada and a Greater Empire"; Mr. McBride dealt with the great things coming in the West from the completion of two new trans-continental lines when the construction of one had made such a vast change; Mr. Rutherford dealt with the importance of Education and expressed pride in the fact that no teacher in Alberta received less than $500 a year. Mr. Hamar Greenwood, M.P., of York, England, also spoke. Mr. Scott of Saskatchewan preferred not to speak. Sir Wilfrid Laurier a little later entertained the visitors at a Dinner and Mr. R. L. Borden at a Luncheon.

Excepting Mr. McBride the Premiers and Delegates were, as a whole, pleased with the result of the Conference. Mr. Gouin told the Montreal *Herald* on Oct. 15th that his Government could now go ahead and develop the resources of the Province while doing justice to the question of Education. Mr. Whitney was non-committal as to the financial side of the matter but told the *Globe* on the 16th that he did not think Ontario people would feel like handing over their control of Fisheries to the Dominion as it had been suggested that all the Provinces should do. Dr. Pugsley of New Brunswick stated to *The Telegraph* on Oct. 18th that the smaller Provinces had been most generously treated. "It has been agreed that a larger allowance than at present shall be made to these Provinces under the head of government and legislation, and as a result of this arrangement New Brunswick will receive an immediate increase of $130,000 per annum. When it is borne in mind that the allowance to this Province under this head is, as provided by the Quebec Resolution, $180,000 per annum or only $60,000 less than has been allowed to the great Province of Ontario, it will be recognized that we have, at all events, no ground for complaint." Mr. Peters of Prince Edward Island told the press on Oct. 20th that the questions of Fisheries and the Island's claim to share in the Halifax Award were still open.

Public opinion, as expressed in many of the newspapers, was not so favourable, and the dictum of the Toronto *Globe* (Oct. 16) that in increasing the Provincial Subsidies "the people of Canada put themselves under heavier tribute to a bad system" was echoed in various directions. The obvious argument that increased payments of money for the use of Governments and Legislatures, not responsible for the taxation from which that money came, was dangerous to financial economy and an incitement to extravagant and irresponsible expenditure, was frequently used. To quote *The Globe* again: "So long as Provincial politicians are led to feel that when they get into deep water the Dominion will come to their aid they will get into deep water with deplorable regularity. They will not adopt the unpopular policy of economy until made to realize that extravagance will be followed by political

retribution at the hands of indignant taxpayers. Every surrender to a necessitous condition of Provincial finances will encourage the weaknesses that will make subsequent surrenders inevitable. Now is the best time to call a halt, and the press of the Dominion should declare emphatically for the Provincial collecting of Provincial expenditure." The Ottawa *Journal* described the meeting as "a march of the Provincial Premiers on the Dominion Treasury" but at the same time declared the demands not unreasonable in view of changed conditions; the Hamilton *Times* and Montreal *Witness* were disposed to look upon it as a raid upon Federal resources; while the Toronto *News* disapproved the entire movement and estimated (Oct. 15) that by 1911 the Dominion would be paying out $13,000,000 a year in this connection.

Mr. McBride, British Columbia, and the Conference

The Premier of British Columbia was the most striking figure at the Conference. He obtained a careful consideration of the case for his Province such as might have been expected; but he also received the acknowledgment of special conditions and the offer of special indemnities. His Province was made the chief issue before the meeting and its claims and needs were brought well before the people of the Dominion. Personally, he went back to his home stronger in popularity and influence than when he left it. Two documents were submitted to the Conference from British Columbia. The first was a general Memorandum as to its special claims for consideration, dated Oct 9, and signed by the Premier. In it Mr. McBride declared that while adhering to the general demand for increased Subsidies he could only do so as far as it was not inconsistent with or prejudicial to the claims of any particular Province for additional recognition and, in the case of British Columbia, no general demand could be accepted as final, or in full settlement of its claims because (1) owing to the excessive contributions made by his Province to the Federal Treasury, as compared with the other Provinces, British Columbia would pay an undue proportion of the amount of any increased Subsidies payable to all the Provinces; (2) because being largely based upon population the special physical conditions prevailing in British Columbia, and which so increased the cost of government, were not provided for.

He went on to point out that the original terms granted to British Columbia had been modified because of the great burden which the construction of the Canadian Pacific Railway was expected to entail upon the Dominion; that the benefits flowing to Canada from that policy had never been placed on the other side of the ledger to the credit of the Province; that in 1884 under the Settlement Act the Province had transferred 3,500,000 acres of the best land in the Peace River District, in lieu of certain Dominion expenditures amounting to $1,100,000, and that those lands were now worth at least $17,500,000; that in 35 years, amidst all their Provincial difficulties of a financial nature, the

DR. THOMAS S. SPROULE, M.P.

Re-elected Grand Master of the Grand Orange Lodge of British America, and elected President of the Triennial Council of the Orange Order of the World, 1906.

MAJOR GEORGE W. STEPHENS, M.L.A.

Appointed Chairman of the new Montreal Harbour Commission, 1906.

people of British Columbia had contributed $19,000,000 in taxation to the Federal revenues over and above what had come to them from the Federal purse; that the Province was severely handicapped in the cost of administration caused by the mountainous nature of its territory, by distance from the commercial and industrial centres of Canada, by the comparatively non-industrial character of its interests and consequent large importation of taxable goods, by its distance from the markets required for special products. In this connection he compared the average expenditure per head in each of the Provinces, over a period of 30 years as follows: British Columbia $11.86; Manitoba $4.31; Prince Edward Island $2.94; Quebec $2.16; Ontario $1.79; Nova Scotia $1.65. He dealt also with the very favourable treatment accorded the new Provinces in the re-adjustment of their Subsidies every two and one-half years while British Columbia had to wait for ten years.

Another Memorandum, still more elaborate and lengthy, was submitted reviewing the entire financial record of British Columbia in its relations with the Dominion and with the preceding negotiations of 1901 and 1903 and the claims then presented by various Delegations to Ottawa.* Some of Mr. McBride's further contentions may be illustrated by a condensation of his figures running over a number of years and including all the Provinces. In British Columbia the average expenditure per head on roads, streets and bridges in the years 1898 to 1902 was $2.91 while the other Provinces ranged from 61 cents to 6 cents; in British Columbia for civil government the average was $1.06 as compared with sums running from 16 cents down in the other Provinces; in British Columbia the average expenditure for roads, civil government, justice, hospitals, etc., combined, was $5.18 per head in the years mentioned while the highest average elsewhere was in New Brunswick with 78 cents; in British Columbia the total expenditure for all services in the five years averaged $12.61 annually per head as compared with a general average for all the Provinces of $2.66. The additional yearly sum of $1,706,222 would, therefore, be required to place the Pacific Province upon a per capita level with the others. A table of specific sums contributed in revenue by the Province to the Dominion from 1872 to 1905 and totalling $56,717,544 was given as against expenditures by the Dominion on the Province of $38,037,382.

During the Conference Mr. McBride first joined in the general Resolution as to increased Subsidies and then presented to the Federal Government his Memoranda upon the special claims of British Columbia and discussed the same conditions with the other Provincial delegates. After a day's consideration of the matter he suggested the reference of British Columbia's claims to arbitration but, finally, upon motion of Messrs. Murray of Nova

* NOTE—See *Canadian Annual Review* for 1903.

Scotia and Weir of Quebec this was declared inadvisable by a majority of all the Provinces as against British Columbia—Mr. McBride protesting meanwhile that this was, in any case, a matter between his own Province and the Dominion authorities. As a result of the discussion, however, he was asked to formulate some specific proposal and then presented a plan under which British Columbia, besides the additional Subsidy granted to all the Provinces, should be allowed $1.00 per head per annum decreasing, as its population grew, to 25 cents a head when it reached 2,500,000 at which it would remain. After further consideration of this proposal Mr. Whitney of Ontario moved, and Mr. Murray of Nova Scotia seconded, a motion declaring that " in view of the large area, geographical position and very exceptional physical features of the Province of British Columbia, it is the opinion of this Conference that the said Province should receive a reasonable additional allowance for the purposes of civil government in excess of the provisions made in the Quebec Resolutions of 1902, and that such additional allowance should be to the extent of one hundred thousand dollars annually for ten years." Messrs. Scott and Rutherford then moved an amendment adding the proposal that Manitoba, Alberta and Saskatchewan should also be allowed $50,000 per annum each for ten years in addition to the Subsidies already provided.

Mr. McBride at this stage withdrew from the Conference, the amendment was lost " on division," and the original motion adopted unanimously. British Columbia was, therefore, only offered $1,000,000 payable by installments in ten years, to cover all the special claims and conditions indicated. On the other hand, the Premier obtained the important recognition from the Conference of British Columbia's special conditions and it was announced in a despatch from Ottawa on Oct. 15th to *The Times* (the Victoria Liberal organ) that Mr. Fielding, Minister of Finance, immediately after Mr. McBride's departure from the meeting had suggested to him that, if he would return, he (Mr. Fielding) " would take the responsibility of urging a larger increase, even specifying that a portion of the amount equivalent to the million offered, should be made in perpetuity and that an additional sum of $40,000 a year for ten years, or $400,000 in all, should be conceded." If this offer was actually made, the proposal did not appeal to the Provincial Premier's sense of what was due, and must have been declined. He intimated quite publicly that it was his intention to take the case of his Province to the seat of Empire and try to get that justice done his case in London which, he claimed, could not be obtained at Ottawa.

Some bitter comments were made in British Columbia, notably in the slogan of the Kamloops *Standard* that in future the policy must be " succeed or secede "; and the coming elections tended to strengthen the Conservative press criticism of the Liberal Premiers who had constituted the majority of the Conference.

Mr. Whitney in this connection said nothing; Mr. Roblin told the Winnipeg *Free Press* of Oct. 20 that the position assumed by the British Columbia Premier was a strong one and properly taken. On Oct. 26th Mr. McBride was welcomed home to Victoria and in an elaborate speech reviewed the situation very fully. He commenced by criticising the Victoria *Times,* Vancouver *World* and Nelson *News,* with other Liberal papers, for taking the hostile attitude they had shown toward him in this matter; regretted the interjection of party politics into the question but none-the-less expressed his intention to maintain a position of hostility towards the alleged Federal neglect or indifference shown British Columbia; declared that during the Conference at Ottawa, when any matter came up involving opposition to the views of the Dominion Government, the six Liberal Premiers usually supported the latter and the three Conservative Premiers could then do nothing; stated that despite all difficulties his presentation of British Columbia's claims had won from Sir Wilfrid Laurier, as well as from the Provinces, an admission that British Columbia was entitled to special consideration; pointed out that during four days his Province was the principal subject before the Conference; described his proposal for a Board of Arbitration and its being disapproved by Sir Wilfrid Laurier and Mr. Fielding and voted against by Mr. Whitney and Mr. Roblin as well as the other Premiers; and dealt with the specific proposal presented by him for suitable terms. He concluded his speech by saying that if, finally, justice was refused at Ottawa the Government would appeal to the heart of the Empire for relief and consideration.

In reply to this speech Mr. R. L. Drury, M.L.A., wrote to the Victoria *Times,* on Nov. 1, that Mr. McBride had failed to point out that British Columbia shared proportionately in the increases given the other Provinces; that it received $115,000 a year additional in perpetuity and $100,000 a year more for ten years; that it ranked after Ontario and Quebec in the amount of total payments arranged; that under this settlement the Province would, in fact, receive for the next ten years a total Federal subsidy of $523,184. As to the rest, whatever change took place in the Federal compact, Liberals recognized that it must be done by unanimous agreement and, therefore, disapproved the Premier's withdrawal from the Conference. "If the Imperial Government were appealed to, as Mr. McBride proposed, it could give its moral support to the case of British Columbia, as Sir Wilfrid Laurier has done, and endeavour to influence the other Provinces to agree to further concessions. Beyond this it could not go. The present case offers no parallel to the appeal made in the seventies by the Walkem Government. The grievance was then that the terms of Union were not being carried out. Now, it is a question of altering the terms of Union." Mr. J. A. Macdonald, the local Liberal Leader, claimed the whole thing to be a political play to the galleries for the pending elections.

The Inter-Provincial Boundary Question

The inter-Provincial question chiefly connected with, and turning upon, the future disposition of the District of Keewatin was more important to Manitoba than to the Provinces of Ontario and Saskatchewan which were also involved. Manitoba needed territory and expansion and a water port more than the others did. The mines and forests and fisheries and the possible agricultural resources of the region in question would all be useful to the little Province but of primary value would be the possession of a port on Hudson's Bay. In Keewatin were supposed to be the only ports of that great inland sea useful for navigation and available in connection with current transportation projects; and it was this fact which also interested Ontario and Saskatchewan. Fort Churchill was the best of these possible ports; York Factory the next best though at a great distance. To Manitoba, also, the District had been attached for administrative purposes until in 1905, by an Order-in-Council of July 24, it was taken away and annexed to the new North-West Territories for reasons best known to the Dominion Government but which the Provincial authorities claimed to be based upon hostile feelings arising out of the School question and finding expression in the alleged Federal desire to keep Manitoba, as Mr. Roblin put it, "a postage stamp on the map of Canada."

Manitoba's claim was (1) the smallness of its own area of 73,000 miles in comparison with Ontario's 260,000 square miles, Quebec's 351,000 square miles, Alberta's 253,000 square miles and Saskatchewan's 250,000 square miles; (2) the fact that Keewatin had been for so long a part of its territory for certain specific purposes and had always been looked upon as its legitimate field for expansion; (3) the fact of about 40,000 square miles of the region lost in 1884 as a result of its boundary dispute with Ontario having not been allotted to the latter Province but allowed to lie unclaimed in Keewatin itself. Manitoba now claimed everything between the Albany River and Hudson's Bay within certain limits—a region which would add some 230,000 square miles to its area. The entire territory concerned covered about 400,000 square miles and the rival claims of Ontario and Saskatchewan would have practically wiped out Manitoba's place in the matter altogether though both Provinces admitted its right to an expansion northward. In the Manitoba Legislature on Feb. 23rd Hon. Mr. Rogers made a fighting speech as to Boundary claims, reviving the old charges regarding Mgr. Sbarretti and Separate Schools, and denouncing the Federal authorities for trying to restrict and limit Manitoba. On Mch. 12th he moved and carried, unanimously, in the Legislature a Resolution to the following effect: "That this House re-affirms its claim for an extension of the present boundaries of the Province northward and easterly to comprise all the territory hitherto embraced within the District of Keewatin and now forming part of the North-West

Territories, and believes such a step to be of the highest importance to the interests of the Province of Manitoba and to the securing of good government for, and the development of, said territory."

The Delegates at the Boundary Conference on Nov. 12th included Hon. J. P. Whitney, Hon. J. J. Foy and Hon. A. J. Matheson for Ontario; Hon. R. P. Roblin, Hon. C. H. Campbell and Hon. Robert Rogers for Manitoba; Hon. Walter Scott and Hon. J. H. Lamont for Saskatchewan; Sir Wilfrid Laurier, Hon. A. B. Aylesworth and Hon. Frank Oliver for the Dominion Government. Each Province submitted elaborate data and Memoranda as to its claims and its case. Ontario assumed that some extension of Manitoba's boundaries was just and right; that no judicial decision could irrevocably fix and settle the boundaries of Ontario as was claimed for that of 1884; that Manitoba, up to 1905, had officially urged an expansion northward and westward instead of northward and eastward as was now desired; that the reason for this change was in the creation of the new Province of Saskatchewan which had cut off the westward possibility of extension; that Fort Churchill was the only good port on Hudson's Bay; that the policy proposed by Ontario was as follows: "That the boundaries of Manitoba be extended northward to Hudson's Bay by producing the eastern boundary northward until it strikes the Churchill River, and then by following the middle of the channel of the said River until the latter debouches into Hudson's Bay, and that the territory of the Province be extended as far north, at least, as the 60th parallel of latitude, and that for geographical and other reasons the remainder of the territory of Keewatin lying east of the suggested eastern boundary of Manitoba continuous to Ontario and bounded on the north and east by Hudson's Bay and James' Bay be allotted to the latter Province." As to the rest the Government of Ontario declined to express any opinion regarding the claims of Saskatchewan or to be drawn into any discussion of the various questions at issue between the Dominion and Manitoba Governments.

Manitoba's statement pointed out that in 1881 the Parliament of Canada had increased the Provincial territory from 13,500 square miles to 154,000 square miles—half of which was lost in the succeeding boundary conflict with Ontario; that by the 1884 decision of the Judicial Committee in that matter, by virtue of the case submitted on behalf of the then Government of Ontario, and by the terms of an Act of Parliament in 1889, the boundaries of Ontario to the north and west were settled forever; that Manitoba had, officially, pressed its claims for extension in 1883 and 1884, in 1901 and 1902, in 1905 and 1906; that the Legislature's unanimous Resolution of 1901 had asked specifically for "an extension of boundaries so as to include a portion of the Districts of Assiniboia and Saskatchewan and northwards to Hudson's Bay"; that in 1905 political considerations had intervened to

prevent the Province receiving its rights in the allotment of territory to the new Provinces; that the many years during which Manitoba had exercised general authority over Keewatin as a sort of dependency contributed a strong moral, if not legal, claim in this connection; that Manitoba was the pioneer in all this Western country and deserved special consideration.

Saskatchewan's case rested chiefly upon its claim to the balance of the territory originally included in the provisional District of Saskatchewan which was governed by the North-West Territories until the formation of the new Provinces; which was not then included in Saskatchewan and whose scattered population, represented by Dr. E. L. Cash in Parliament, was said to have protested against any annexation to Manitoba. As to Keewatin the reasons adduced seemed rather vague. The District was said to be tributary to Saskatchewan rather than to Manitoba; while a railway commencing in the former Province would soon reach Fort Churchill. It was claimed to be reasonable that both Western Provinces should be extended to Hudson's Bay and it was pointed out that Ontario already extended to James' Bay. Saskatchewan was alleged to have a more direct interest in this particular route than any of the other Provinces while there was declared to be plenty of territory for its extension as desired and yet leave Manitoba 200,000 additional square miles. At and before the Conference Manitoba's representatives vigorously contested the right of Ontario and Saskatchewan to be consulted at all in the matter. To a *Globe* correspondent, on Nov. 9, Mr. Rogers said: "We contest every claim. Ontario has none. It defined its own boundaries years ago. We cannot see how Saskatchewan can have any. It is only necessary to look at the map and one wonders why on earth Manitoba had not had her boundaries extended before. All that we ask is to enlarge our territory so as to compare favourably with adjacent Provinces, and we want our northern boundary to be on the same parallel with that of Saskatchewan." A formal letter of protest was also submitted to the Federal authorities.

It was claimed, apart from purely Provincial points of view, that this question was in the main a Western one—the export of Western grain, the building of Western railways, the benefiting of Western farmers, the development of Western interests. From Port Arthur it was over 600 miles to the mouth of the Nelson "as the crow flies" while Hudson's Bay was the natural outlet for the Provinces of the West. It might even prove in the interest of the East not to develop the Hudson's Bay route as being a rival to its own St. Lawrence waterways. And so the varied arguments went on. The actual Conference was very brief, was held in Sir Wilfrid Laurier's office at Ottawa, and was addressed by the Premiers of the three Provinces. No promise seems to have been given by the Federal Premier. Manitoba's delegates on their return home expressed great dissatisfaction at the result of the Conference. Sir Wilfrid Laurier was said to

have even expressed the wish that he could make a new Province out of the region in dispute. Messrs. Roblin and Rogers, in interviews, declared that it was quite certain Manitoba would receive no justice from Ottawa under the existing Government, and the former, in a speech at Brandon on Dec. 4th, declared that he would never give up the fight if he had to appeal to the foot of the Throne. In addressing a Winnipeg Conservative gathering on Nov. 27th Mr. Rogers dealt at length with the whole question and charged the Federal rulers with deliberately depriving Manitoba of its legitimate heritage for purely partisan and political reasons. On Dec. 6th the Winnipeg Real Estate Exchange passed an unanimous Resolution in favour of the extension of Manitoba's boundaries to Hudson's Bay.

MISCELLANEOUS APPOINTMENTS AND ELECTIONS IN 1906

Royal Society of Canada	President	Dr. Wm. Saunders, C.M.G.
General Council of the Quebec Provincial Bar	Batonnier	F. X. Drouin, K.C.
National Council of Women	President	Lady Edgar.
British Empire League in Canada	do	Lieut.-Col. George T. Denison.
Imperial Order of the Daughters of the Empire	do	Mrs. S. Nordheimer.
Canadian Press Association	do	A. H. U. Colquhoun, B.A.
Presbyterian General Assembly	Moderator	Dr. Alexander Falconer.
Coadjutor Bishop of Fredericton, N.B.		Rt. Rev. J. A. Richardson, M.A.
Roman Catholic Bishop of Alexandria		Rt. Rev. W. A. Macdonell.
Roman Catholic Bishop of St. Hyacinthe		Mgr. A. X. Bernard.
The Canadian Magazine	Editor	Newton MacTavish.

RHODES' SCHOLARS SELECTED IN CANADA, 1906

Appointed From	Name of Scholar	Previous Education Degree	College at Oxford	Course at Oxford
B. Columbia	H. E. Bray, M.A.	Toronto University	B.N.C.	History.
Manitoba	S. E. Beech, B.A.	Manitoba University	Queen's	Nat. Science.
N. Brunswick	R. St. J. Freeze, B.A.	New Brunswick University	Oriel	B.C.L.
Nova Scotia	A. Moxon, B.A.	Dalhousie University	New	Jurisprud.
N.W.T.	A. M. Bothwell, B.A.	Queen's University, Kingston	Trinity	History.
Ontario	R. C. Reade, B.A.	Toronto University	New	Lit. Hum.
Prince E.I.	A. G. Cameron, B.A.	Queen's University, Kingston	Balliol	Medicine.
Quebec	A. R. Macleod, B.A.	McGill University	Balliol	Hon. Mds.

X.—DOMINION PUBLIC AFFAIRS

The Governor-General and Canadian Affairs

The influence of His Majesty's representative in Canada depends largely upon personality—a somewhat intangible element which has not been lacking in Earl Grey's administration of affairs. Diplomatic, dignified and yet popular his second year in office passed amidst conditions of undoubted personal success and great public activity. The first important function of 1906 was the opening of the Forestry Convention at Ottawa, on Jan. 10th, with an address in which His Excellency spoke from personal observation in India, Asia Minor, Greece and Italy as to the misery of barren desolation caused by selfish or unregulated destruction of forests. " It is because I hope that this Convention may be the means of averting from every part of Canada the sad fate of those countries to which I have referred, that I have gladly accepted the request made me to open this Convention." Six days later Lord Grey opened the new Cartier Public School in Ottawa and on Feb. 12th was in Montreal, accompanied by his family and suite, for a visit of ten days' duration. The Vice-regal party stayed at Lord Strathcona's residence on Dorchester Street and, though informal in character, the visit was crowded with entertainments including various dinner parties; a fête at the Park (Toboggan) Slide; an afternoon affair at the St. Jean Baptiste Society for Lady Grey; attendance at McGill Medical Dinner by His Excellency; and functions in connection with the Royal Sanitary Institute, the Natural History Society, the Anti-Tuberculosis League and the Royal-Victoria College; the inauguration of the Philharmonic Society, the Centennial celebration of the Chateau de Ramezay, the presentation of a flag to the St. Jean Baptiste Society, and attendance at a Charity Ball.

Lord Grey's remarks at the Medical Dinner (Feb. 13) included a pronounced and much-discussed reference to patent medicines. After saying that he had recently had a bottle of " Peruna " analyzed and found it to contain 40 per cent. proof spirit he went on: " To add to this, recently I received a report from a friend in Washington showing that thousands of children died every year through these medicines, and the tragedy of it is all the more intensified because the stuff is administered by mothers who do not know the effect of the mixtures they are giving their children. I am of the opinion that the law should be made so that it would be required to show what patent medicines contained. It should be set down that all mixtures containing alcohol and narcotics and poisons should have the percentages of these

drugs printed on the labels of bottles." The function of flag presentation to the St. Jean Baptiste Society was notable for an address from its President in which Mr. L. G. A. Cresse, K.C., declared His Excellency the most popular of Canada's Governors-General and then proceeded as follows: "As a representative of the French pioneers, who have colonized this country, I may say that we all hope that Canada will always be attached to the British Empire by the most sacred bonds that exist in the world—the bonds arising out of admiration and gratefulness which are due to England for her protection and for making us enjoy our liberty and freedom. We are loyal, we French-Canadians, to the British flag, which has been carrying on the world in the vanguard of progress and civilization." In Ottawa on Mch. 28th, following, the Governor-General was present at the annual meeting of the Dominion Rifle Association and described himself as in fullest sympathy with its objects. "No Briton is fulfilling his duties toward the Empire unless he qualifies himself to be an efficient rifleman, so that his services may be at the disposal of the Empire when they are required."

An important event of the year, in more senses than one, was Lord Grey's visit to the United States. Mr. Joseph H. Choate had been his guest at Ottawa early in February and, no doubt, the preliminaries of the affair were then discussed. However that may be it was announced on Mch. 7th that His Excellency would be the guest of the Pilgrims of New York at Dinner on the 31st and, with Lady Grey, would stay at the home of Mr. and Mrs. Morris K. Jessup. It was also announced that Mr. Elihu Root, United States Secretary of State, would be present and all sorts of surmises, wise and otherwise, were formulated in the press as to a discussion of international questions in general and reciprocal trade and tariff relations in particular. The Dinner itself was a remarkable function—partly on account of the distinguished character of the gathering but chiefly because of the nature of the speeches. Amongst those present were Governor Higgins of New York, Archbishop Farley, General Horace Porter, Mr. Secretary Root, Dr. Weir Mitchell, Sir F. W. Borden, Sir C. Purdon Clarke, Count Gleichen, Lieut.-Governor Bruce, ex-Mayor Seth Low, Hon. J. G. Carlisle, Major-General Grant, etc.

Mr. Morris K. Jessup was in the chair and referred briefly to the history and objects of the Society and the desirability of Great Britain, Canada and the United States working together as "lovers of law, lovers of fair-play and lovers of square dealing." Mr. Choate delivered an eulogy of Canada as the "most spirited and ambitious rival" of the United States and as advancing by leaps and bounds; urged this as the time for a final settlement of questions at issue between the countries; described the famous portrait of Benjamin Franklin which, during Revolutionary days, had come into the possession of Lord Grey's ancestor; and stated, amidst great applause, that the guest of the evening had written

President Roosevelt, a month before, formally presenting the portrait to the United States. After a brief reference to the qualities of President Roosevelt, and of Lowell and Hay whom he had known in London, Lord Grey dealt with Canada whose " lovely sparkling winters make her, in more senses than one, the brightest jewel in the British Crown "; declared the thought of annexation to be scouted in the Dominion as an impossibility and its people to be animated and stimulated with the hope of a splendid future; referred to the United States as having been greatly helped in its progress by the presence in the Republic of 2,800,000 persons of Canadian birth or descent and to the cities of Chicago, St. Louis, Pittsburg, New Orleans, Detroit, St. Paul and Milwaukee as having been founded by French-Canadians; described Canada as returning the compliment by daily feeling " the example, guidance and inspiration of the United States "; declared the forces of the world to be steadily drifting in the direction of Anglo-Saxon unity and concluded as follows:

> There are several questions outstanding between the Dominion of Canada and the United States which have been left open too long and which call for settlement. Both Governments desire to take advantage of the opportunity which the present feeling of amity between the two countries affords, and I am persuaded that the hearts of the two peoples on both sides of the frontier will be glad when their respective Governments have given effect to their desires. You and I and my fellow Canadian guests all come from the same old mother stock. We speak the same language, we are pressing towards a single goal, we are united in hope, in aspiration and faith, and if we are co-sharers in nine-tenths of the past may we not hope that we are co-partners in the whole of the long future that is looming upon our horizon. It is the proud mission of the Anglo-Saxon race to maintain and to advance the cause of civilization throughout the world. England thankfully recognizes your desire to co-operate with her in this beneficial work, and the knowledge that the Stars and Stripes and the flag of England stand in the gateways of the world, as on these walls, their varying colours draped together fold within fold as the joint emblems of freedom, righteousness and duty, may well cause us all to rejoice and to feel proud first, that we have an Imperial mission to perform to the world, and secondly, that so long as we are true to each other and to ourselves we shall have the strength as well as the will to accomplish the noble purpose of our joint and splendid destiny.

The Hon. Elihu Root dealt with " International Comity " as his subject. He described the great change which had come to Canada and Canadians in recent years. As to matters at issue between the United States and its " sister nation " he said: " We are going to try to settle all existing questions, we are trying to settle them, and with a sincere and earnest purpose we believe we will settle them." Brief speeches followed from Governor Higgins and General Porter. Following this function the Governor-General, accompanied by Countess Grey and other members of his family, visited Washington as the guest of the President and then of the British Ambassador. One of the results of Lord Grey's February

visit to Montreal was an inspection of the local jail and a letter written by His Excellency to the Provincial Premier. It was made public on April 30 and did much to make the succeeding official action possible by arousing public opinion. He strongly deprecated the system of mixing untried and convicted prisoners together as tending to "demoralize, brutalize and degrade" its victims and keenly criticized the general conditions of management and environment. As to the treatment of prisoners awaiting trial he had found a similar state of things in Toronto and Winnipeg. On May 4th Earl Grey opened at Ottawa the 27th annual Exhibition of the Royal Canadian Academy of Arts.

Lord Grey visited Renfrew, in Ontario, and its famous Creamery on May 16th. Accompanied by Lady Sybil Grey he paid a first official visit to Hamilton on May 28th. The Address presented from the City Council stated that His Excellency's speeches since coming to Canada had given the people increased confidence in their country and himself a high place in popular respect and good-will while adding strength and permanence to the ties which bound Canada and Great Britain together. In replying Lord Grey referred to William Sherring and his recent triumph at Marathon. "Gentlemen, the fact that one-fifth of the total land area of the globe lies within the precious circle of the British Crown, the fact that one-fourth of the population of the world are the subjects of the King would by themselves be of little moment if the character of the British race was not fortified by the qualities of pluck, self-sacrifice and self-repression. These are the qualities that make for national greatness far more than either area or numbers, and these are the qualities which have enabled William Sherring to achieve distinction and which have caused you, very properly, to take delight in doing him honour." On June 4th an informal visit was paid to London and a generous welcome accorded.

On July 19th His Excellency left Ottawa for a visit to Newfoundland and Chief Justice the Hon. Charles Fitzpatrick was appointed to act as Deputy in his absence. Sir William MacGregor, Governor of Newfoundland, had previously visited Ottawa and tendered Lord Grey an earnest invitation to be his guest in the near future. There were the usual varied rumours as to the object of this visit and supposed discussions as to Confederation. Sensational despatches to Newfoundland papers followed and similar ones were sent to the Canadian press on July 26th describing various imaginary slights which were to be inflicted upon Lord Grey for his supposed mission regarding Confederation. More than one Canadian paper at once accepted these statements and published elaborate editorials deprecating the visit and, in some cases, criticizing the Governor-General. Notable amongst these was the Montreal *Herald* which had also protested against the supposed efforts of Earl Grey to facilitate treaty arrangements at Washington.

When he actually reached Newfoundland, accompanied by Countess Grey and other members of his family, the reception was most cordial; although Sir Robert Bond took occasion to announce that the visit had nothing to do with the unpopular subject of Confederation. The vice-regal party stayed until Aug. 5th. Speaking at a Government House function in St. John's, on Aug. 3rd, the Island Governor proposed the toast of the Canadian Governor-General and said that the visit was due to his own appreciation in the past, and in other Colonies, of the value of such intercourse between neighbouring Governors and of his intention to set a new precedent in the relations of Canada and Newfoundland. In his reply Lord Grey referred to the natural beauties of the Island, to its obvious resources and coming development, to the absence of all political motive in his own visit. He spoke of the question of Confederation with Canada as one which he could not discuss, as a word which was not exactly a blessed one to the people of the Island, and then concluded in tactful language as follows: "Well, if they were opposed to it that was enough; there was nothing more to be said. A policy of Confederation could only become operative on the direct initiative of the people of the Island —but he wished them to understand that if the day should ever come when they, the people of Newfoundland, realized that it would be to their advantage to become a unit of the Dominion and a co-sharer with the other Provinces of Canada in all the wonderful prosperity which was already rising high on their horizon, all they would have to do would be to bear against a door already open and he assured them that behind that door they would find a most loving, hearty and generous welcome."

The visit did much good in promoting a more friendly feeling toward Canada and proved once more Lord Grey's capacity as a peacemaker. According to a despatch from Mr. P. T. McGrath, the Newfoundland journalist (Aug. 14), it was "one of the great social successes in the Island's annals." On Aug. 22 His Excellency was at Quebec taking part with his Prime Minister in welcoming the British battleship *Dominion* and formally presenting to its officers the gift of plate for which small collections had been taken up throughout Canada by the Daughters of the Empire. In the course of his speech he said: "Nothing has pleased me more since I became Governor-General of Canada than the evidence which is continually reaching me from every side of the desire of self-respecting Canadians to contribute their share to the support of a common Imperial burden. I am aware that to some the idea is well-nigh intolerable that the old mother should be allowed to carry for a single day for Canada a load which Canada may be able to carry for herself. Ladies and gentlemen, I rejoice whenever I come across this manly, honourable, self-respecting sentiment which is characteristic of Britons all the world over, and worthy of Canada."

Towards the end of the month the Governor-General, with

Lady Grey and his suite, started on a Western tour. He was at Port Arthur on the 24th and in replying to an Address spoke of the immense future in store for the two cities and of the not distant time " when the ships of the ocean will be taking freight from these ports to the European markets." A similar Address of welcome was presented at Fort William. A short time was quietly spent in Winnipeg; a warm welcome was accorded at Portage la Prairie and Dauphin on Aug. 27th; Saskatoon was reached on the 29th. At the latter place His Excellency, who was still suffering from an injury to the eye received at Winnipeg, made the following characteristic remarks: " It is a law of nature that the best grain, the best horses and the best men and women are produced the farther north you get. Nature helps you people of Saskatoon, and all that remains is for you to help yourselves. I am not one who believes that wealth means greatness, and I trust that while you stand girdled round the waist with the belt of plenty you may strive to be crowned with the wreath of excellence." At Prince Albert on the following day, as at Saskatoon, Lord Grey drew attention to the fact that Great Britain would not always provide a demand for wheat equal to the supply and urged his hearers to adopt mixed farming and cultivate the possibilities of the Japanese market where its people were changing from rice to wheat as a staple food. On the 31st a warm welcome was given the Governor-General at Battleford, North Battleford and at Vermilion.

Edmonton was reached on Sept. 2nd and Lord Grey told Mr. D. D. Mann of the Canadian Northern Railway, who had accompanied him to this point, that he doubted if any Englishman who had not visited Canada had ever before traversed 1,000 miles of continuous garden soil with every bit of it adapted to profitable agriculture. Calgary was the next place visited. Nelson and other points in British Columbia were then called upon and on the 12th Lord Grey and his party were at Vancouver where he was formally welcomed by Hon. F. J. Fulton, Mayor Buscombe and others. Unfortunately the varied decorations and the public reception were somewhat marred by wet weather. In Victoria on the 14th more decorations, illuminations and a Civic address welcomed His Excellency. The Chinese residents presented an Address under an arch of their own and the Japanese had another arch to indicate their loyalty. In the City's address, read by Mayor Morley, Lord Grey took special pleasure in the paragraph declaring that British citizenship was " a priceless heritage worthy of the sacrifice of influence, powers and even life itself."

Following the usual social functions, Receptions, Dinners, etc., at Victoria the Governor-General in succeeding weeks went by steamer up the coast of Vancouver Island; attended the Canadian Forestry Association meeting at Vancouver on Sept. 25th; visited Nanaimo and the coal mines of Ladysmith on the 27th; did some fishing at Cowichan Lake; took a steam trip to Moresby Island

and up the Fraser to the salmon canneries and New Westminster; visited Vernon and Lord Aberdeen's neighbouring Ranch. Everywhere the reception accorded was most cordial and in writing a farewell note to Mr. Mayor Morley on Sept. 19th His Excellency offered heartiest thanks for "the splendid and royal welcome" given him as the representative of the Crown. At Vancouver on the 25th a most enthusiastic popular reception was given the Governor-General. A Civic address was presented by Mayor Buscombe and a parade of citizens was held in the decorated streets. At a Canadian Club luncheon which followed Mr. F. C. Wade, K.C., the chairman, asked this question: "What is our destiny? We are in the Empire but not of the Empire. We are British, but with British concerns we have nothing to do. We have long remained in a position of irresponsibility inconsistent with the pride and dignity of British people. Then, what is our destiny? Perhaps Your Excellency may be able to help in the solution of this problem. The task is one of the greatest which has ever been set before British and Canadian statesmen. It is one worthy of your distinguished family." To it Lord Grey replied as follows and then dealt at length with the possibilities of Vancouver, the C.P.R. and Canada in the future opening up of the Orient:

> Well, I do not come here with a scheme of Imperial Federation, but in speaking along the line to which the Chairman has given expression I might say the Dominion has only to ask England to admit her into the Councils of her Parliament; and if she is prepared to assume her share of obligations in relation to the Empire, I venture to say, not speaking officially, but personally, that she will receive the warmest response. I have often had a dream that while former schemes of federation have been the pressure of necessity, the Imperial federation of the British Empire may yet be founded on a basis of self-respect; and that the self-respect to which your Chairman has given expression may be the impelling motive toward the realization of that dream.

This speech, to quote one of the local papers, seems to have found its way straight to the heart of Vancouver. "Nature, the Canadian Pacific Railway and the British fleet," as Earl Grey said, had together given and secured to Canada the shortest and best trade route between Europe and Asia; and this simple presentation of a great fact won instant appreciation as did many other things in a most statesmanlike address. Speaking further at a banquet tendered him by the Canadian Manufacturers' Association and the Forestry Convention Lord Grey elaborated his views as to a future closer union for defence and trade, amongst the nations of the Empire, and then referred as follows to local conditions:

> There are three great wants in this Province. First the want of Western Canadian produce to go to ports of the Orient; second, the want of cars; and third, the want of labour. Shippers to the East have to pay high rates because the C.P.R. has to haul empty cars half way across the continent to accommodate them. If China and Japan can be persuaded to consume more Canadian produce, then more full cars

would come to the coast and rates would be reduced inland. It is very important that more Canadian produce should be sold in the markets of Japan. To put it in another and, perhaps, more vulgar way, we must implant in the stomachs of the Orient an appetite for Canadian food. It can be done. Labour is what is needed for the development of this rich country. It is not for me to say what steps should be taken to supply additional labour, but I must emphasize the fact that it is not policy to allow your vast public lands to remain idle. The example of the United States in placing large areas of what was formerly unprofitable land under irrigation I commend to your worthy consideration.

An invitation to visit Seattle, Wash., had to be declined and, early in October, the Vice-regal party was touring the interior of the Province. Kamloops was reached on Oct. 3, and Kelowna, Summerland, Penticton and other points in the rich Okanagan valley were afterwards visited. The Governor-General arrived at Calgary on the 10th and found flags flying very generally. He had declined any public demonstration and simply drove out and inspected the well-known irrigation works in the neighbourhood. At Indian Head, on the following day, a cordial reception was tendered and a visit to the Indian Agency in the File Hills followed. This incident practically closed the Western tour. Reference, however, must be made to the much-discussed first visit of the Governor-General to Calgary on Sept. 4th. It gave the only unpleasant note of the tour. So far as can be gathered the City Council failed to invite the public to attend the Civic reception and the people simply stayed away. The *Herald,* however, made much of the affair, and published an editorial which evoked much hostile comment throughout the West though, no doubt, it correctly indicated the evolution of Americanized thought in a portion, however small it might be, of the population.

After describing the result as due to indifference, the people as busy in a deep study of money-making, the West as being forgetful of traditions and looking upon Vice-royalty as a "mere accident," the Western public as taking "a man at his face value," this more than outspoken journal proceeded as follows: "The West, moreover, is becoming more democratic through its American immigration. Thousands from the United States have come into Canada, and with them have brought their conceptions of a sovereign people. All that is formal and symbolic in our institutions and government must give way before the democratic leaven which has been coming into Canada during the past five years. There is danger that the most precious historic facts that are associated with the young life of this country may be obliterated in the vigorous patriotism which clings to the skirts of our immigration." The Canadian press generally was very explicit in its condemnation of this utterance and of what preceded it.

Earl Grey was in Toronto on Nov. 29th and the chief event of his visit was a speech at a Canadian Club banquet attended by 350 representative citizens. The address was marked by careful

thought, courageous expression of opinion, and robust common sense. His Excellency's warning against mining booms has been quoted elsewhere* and his remarks as to the necessity of discrimination between prospects and proved mines were most important in view of the time and place. He then referred at some length to the position of Canada as the natural trade route between Europe and the Orient and as now only sending a beggarly half-million worth of goods to the East when the United States was exporting $50,000,000 worth. "I believe," he went on, "that it would be greatly to the advantage of Canada if more active steps were taken to educate the population of Japan, Corea and China to appreciate the excellence of Canadian food products." Lord Grey described the chief requisites of Canada at present as (1) laying the foundations of a future trade with the Orient; (2) perfecting the transportation systems east and west; (3) increasing the supply of labour. Upon the last point he spoke forcibly and in a way which evoked condemnation from some of the Labour unions: "I believe there is an abundance of capital ready to come in to develop the resources of Canada if only the necessary labour can be obtained. An abundant supply of cheap labour would also appear to be a condition precedent to the demand for highly-paid labour, such as that which the skilled artisans of Toronto can supply, and if your railways awaiting construction are to be quickly built, and your lands are to be cleared at a cost which would not impose an unnecessarily heavy charge for all time upon yourselves and your children, this question of labour is one which calls for your attention." As to the future in a political sense His Excellency spoke as follows:

> **Gentlemen, it is the honourable and distinguished privilege of the people of the United Kingdom that they are carrying, practically unaided, the burden of the debt incurred in the making of Greater Britain, and in the present administration and defence of the British Empire. They do not complain that they should be allowed by you to carry the whole burden themselves. They know you and the other self-governing nations, when the appointed time arrives, will assume your portions of Imperial obligations, and they are content to wait until the feeling of self-respect which I believe to be inherent in all men of British blood, will produce a system of Imperial federation in which the self-governing peoples of the United Kingdom, of Canada, of Australasia, New Zealand, and South Africa, will join on terms of an equal partnership under which each will contribute its fair and equal share towards the discharge of Imperial responsibilities and the meeting of Imperial obligations.**

Incidents of the year in connection with the Governor-General included the preparation of plans at the Department of the Interior for the re-construction of Government House, Ottawa, in a manner more appropriate to its purposes and at an estimated cost of $150,000; the receipt of an official despatch at Ottawa from Lord Elgin (dated April 19, 1906) stating that the King

* NOTE—See page 57, dealing with conditions at Cobalt.

had been pleased to approve of the wife of the Governor-General being designated Her Excellency as was already the case in Australia; a long official despatch from Lord Grey, published in the Journal of the British Board of Agriculture for April, dealing with agricultural education in Ontario and expressing special approval of the valuable work being done by the Ontario Agricultural College; the purchase by His Excellency of a large ranch on Kootenay Lake in British Columbia; the holding of an elaborate Drawing Room at Ottawa on Nov. 24th in connection with the opening of Parliament; the marriage of Viscount Howick, his son and heir, to Lady Mabel Palmer, daughter of the Earl of Selborne, High Commissioner in South Africa.

The Dominion Government and Political Conditions

The year 1906 opened in Government circles with a vacancy caused by the death of Hon. Raymond Prefontaine in Paris. The home-coming of the dead Minister was carried out in state upon a British man-of-war; the funeral on Jan. 24th and 25th was a great public function in Montreal and the scene of unusual indications of sorrow. It was pretty well understood that Hon. L. P. Brodeur, Minister of Inland Revenue, would be his successor at the Department of Marine and Fisheries and Mr. Rodolphe Lemieux's promotion to Cabinet rank was also expected. The retirement of Mr. Emmerson was rumoured at the beginning of the year but nothing came of the rumours nor of the frequent press mention of Hon. N. A. Belcourt and Hon. W. Pugsley of New Brunswick for places in the Government. British Columbia, in its press, continued to demand a representative in charge of a Portfolio and the creation of a Department of Mines was also urged. On Feb. 6th Mr. Brodeur was gazetted Minister of Marine and Fisheries and the Hon. William Templeman, Minister without Portfolio, was appointed to his Department of Inland Revenue. The promotion of Mr. Brodeur was widely approved as being deserved and as indicating a steadily growing position in party popularity and Government influence. With the new position went the Liberal leadership in Montreal and its district and the new Minister became, practically, Sir Wilfrid Laurier's first lieutenant in Quebec.

Mr. Templeman's appointment was not so generally popular. Many Vancouver Liberals wanted a local rather than a Victoria man, to represent British Columbia in the Cabinet. *The Province,* in particular, was as vigorous in its denunciations as any Conservative paper could have been. No doubt the feeling between Mainland and Island had something to do with this. Following the appointment came a keen rivalry for succession to Mr. Templeman in the Senate. Mr. George Riley, who had resigned his seat for Victoria in favour of the new Minister, was said to have a promise of the appointment but, nevertheless, Vancouver Liberals pressed the nomination of Mr. Robert Kelly for the vacancy. A large deputation waited upon Mr. Templeman

on Mch. 12th to urge this request. On Mch. 21 the appointment of Mr. Riley was announced. Ministerial changes were dealt with in the Commons on Mch. 16th when Sir Wilfrid Laurier referred to the retirement, late in 1905, of Sir William Mulock and read correspondence indicating the condition of health which had caused the resignation and expressive of his own extreme regret at its necessity. Mr. Templeman's appointment would involve, the Premier announced, some re-adjustment of Departmental duties under which the Geological Survey, and possibly a Mines Branch, would be placed in charge of the Minister of Inland Revenue.

On April 30 it was announced that Sir Elzéar Taschereau, Chief Justice of the Supreme Court of Canada, had resigned his position and that Mr. Fitzpatrick, Minister of Justice, could have the appointment if he wished. The retiring Chief Justice had only served a few years in succession to Sir Henry Strong—though he was now 70 years of age and had been on the Bench for 35 years. Speaking on May 2nd at the opening of the Supreme Court Mr. Justice Sedgewick, acting Chief Justice, paid him the following tribute: "Coming to us from the Province of Quebec, well versed in the Roman law, the Civil law of France, and in the domestic law of his own Province, he was equally erudite in the English system which, together with the French, form the law of Canada. By reason of his accuracy, experience and ability, he was able to bring into our constitution a trained mind which was of the greatest possible advantage to the Court in the decision of various cases brought before it from different parts of the Dominion." On June 4th, following, the Hon. Charles Fitzpatrick, K.C., who had been Solicitor-General from 1896 to 1902 and Minister of Justice from the latter date, was gazetted Chief Justice of Canada; Hon. Allen Bristol Aylesworth, K.C., who had been for a short time Postmaster-General, became Minister of Justice; and Mr. Rodolphe Lemieux, K.C., Solicitor-General, was sworn of the Privy Council and appointed Postmaster-General. Mr. Aylesworth's appointment was a matter of course in view of his legal attainments and fitness for the position; Mr. Fitzpatrick's was a most suitable one for the same reason and was generally recognized as such; Mr. Lemieux had been regarded in political circles for some time as a coming man and his promotion was a natural result of capacity and popularity.

Meantime, on Mch. 2nd, Mr. Lemieux had received the decoration of the Legion of Honour from the French Government in recognition of his recent services in promoting friendly relations between Great Britain and France. A complimentary banquet was tendered the new Minister at Montreal on May 6th and, in his speech, reference was made to the honour from the French Government and to the regard of French-Canadians for old France. "But," said Mr. Lemieux, "we have other sentiments also, and one of these is gratitude and pride in being a part of the glorious old Empire of Britain and enjoying, as loyal

French-Canadians, the protection and liberty of the British flag." He fully agreed with the statement that when the last trump had sounded and the peoples of the earth were judged, "the British would be declared the best and wisest rulers of nations and men." On June 18th Mr. Brodeur, the new Minister of Marine and Fisheries, was accorded a great banquet by the Liberal Clubs of Montreal, attended by some 1,300 guests, with the Premier of Quebec as Chairman and amongst the visitors the Premiers of Alberta and Saskatchewan, Messrs. Fielding, Lemieux and Fisher of the Dominion Government, Hon. J. H. Lamont of Regina, Hon. J. H. Cummiskey of Charlottetown, Mr. George P. Graham of the Ontario Legislature, Hon. J. Israel Tarte and most of the members of the Quebec Government. In concluding some eloquent words of introduction to the guest of the evening, Mr. Gouin paid him the following concise tribute: "I ask you to raise your glasses to the friend, to the citizen of integrity, to the man of honesty, to the Minister, patriotic and enlightened, to the loyal and faithful fellow-worker with Sir Wilfrid Laurier, to our beloved and esteemed chief, to Brodeur."

In his brief address Mr. Brodeur eulogized the memory of Prefontaine and declared his own policy to be the making of the St. Lawrence route perfectly safe, by day or night, and the improvement of the Harbour of Montreal. He stated that since 1896, and during the Laurier decade, Canadian expenditures had increased 83 per cent., revenues 109 per cent., total trade 109 per cent., railway traffic 136 per cent., bank deposits 156 per cent. A number of short speeches followed—notably from Mr. Fielding, Mr. Premier Scott, Mr. Lemieux and Mr. Premier Rutherford. At Victoria on Sept. 11th Mr. Templeman was banqueted in honour of his recent appointment and in appreciation of his services as a pioneer of Liberalism in British Columbia. Mr. Aylesworth was similarly treated by the County of York Law Association in Toronto on Nov. 23rd. Many rumours prevailed during the year as to the post of Solicitor-General. It was generally stated in the press that Hon. Adélard Turgeon of the Quebec Government was offered it but had declined; that Hon. N. A. Belcourt of Ottawa could have had it if he had held a Quebec constituency; that Messrs. Jacques Bureau, M.P., of Three Rivers, J. A. C. Ethier, M.P. for Two Mountains, and Mr. L. P. Demers, M.P., were in the running. No appointment was made up to the end of the year. The position of Mr. Henri Bourassa, M.P., in the Liberal party was a much-discussed issue and his part in the bye-elections of 1906 coupled with his opposition to the Lord's Day Act in Parliament; his free and frequent criticism of the Government and its members; his hostile attitude toward the Government policy of immigration and the questions raised in the North Atlantic Trading Company charges; his denunciation of the Saskatchewan Valley Land Company affair and differences of opinion regarding the Government land policy

in general; indicated a more or less complete severance from old party ties. The Hon. C. S. Hyman's London troubles, ill-health and resignation formed an important incident in the Government's record which is elsewhere dealt with.

A most obvious feature in this general connection was the continued growth of Sir Wilfrid Laurier's personal strength in politics; whether his party was correspondingly stronger in the country was another question which can hardly be decided here. In February the Prime Minister paid a visit to Toronto and was present at two functions which illustrated very opposite elements in public life. The one, on Feb. 19th, was a banquet given by the University Literary and Scientific Society and the occasion demanded and received an eloquent expression of non-political views upon the higher politics and problems of national development. The other, on the following night, was a great party banquet when the occasion seemed to demand a fighting partisan speech and, in the main, received one. At the University Dinner, presided over by Professor Baker, the speakers included Mayor Coatsworth, of Toronto, Hon. G. W. Ross, Hon. A. B. Aylesworth and Mr. J. P. Downey, M.L.A. Sir Wilfrid Laurier's speech was both interesting and important; it reads as an utterance full of careful thought, of patriotic earnestness, of descriptive force.

Commencing with an interpretation of the feelings of the young men of the University as being for their native land first and next to that, and not far from it, for the land of their ancestors, to which they were bound by law, by constitution and by sentiment, the Premier proceeded to define and eulogize patriotism. He declared that since the fall of the mighty Roman structure there had been many attempts at empire-building but all of short duration until, "in our own age, one has arisen which is not as compact as that of Rome but which extends over lands and continents not dreamt of in the heyday of Roman splendour. And since the proud days of Rome there has been no title broader than the title of one who can say 'Ego civis Britannicus sum.'" He went on to deprecate war, past, present, or future. "May this country be separated forever from the awful scourge of war." He deprecated the use of the term Colony as a badge of inferiority. "We have not changed the term but we have changed the status." As to current Imperial problems his advice was to move slowly. "At the present time—you will agree with me when I say so—our relations with Great Britain, all our relations with Great Britain, are perfectly satisfactory. We are in a different position from what our fathers were 60 or 50 years ago. We have no grievance. When institutions have to be changed they will be changed and, as I believe, the change will take place in the line of union for the whole coupled with autonomy for the parts." In a general sense there could be no doubt of the future—and again the speaker took the Roman

THE HON. FRANCOIS LANGELIER, K.C.
Appointed Chief Justice of the Superior Court, Quebec, 1906.

COLONEL EUGENE FISET, D.S.O.
Director-General of Medical Services.
Appointed Deputy Minister of Militia and Defence, 1906.

parallel: "The Roman Empire meant despotism, concentration, the absorption of all the parts in a single mass. The day came when it could not carry its own weight and it crumbled to pieces. The British Empire means freedom, decentralization and autonomy; it will live and live forever."

The banquet given by the Liberals of Ontario, on the following day in Massey Hall, was a great party success. The Hon. G. W. Ross presided amidst a scene of floral beauty and varied surroundings of political enthusiasm; with him and amongst the speakers were Hon. Mr. Aylesworth, Hon. N. A. Belcourt, Mr. W. K. George, and Hon. George P. Graham. An Address was presented by Mr. H. M. Mowat, K.C., from the General Reform Association of Ontario and another by Mr. Robert Jaffray from the Toronto Reform Association. Forty other Addresses from Liberal bodies throughout the Province were also received and presented by the General-Secretary, Mr. F. G. Inwood. Mr. Ross in his review of political conditions and tribute, as Chairman, to the guest of the evening was clear-cut and clever. To him Canadians were nation-building and Sir Wilfrid Laurier was the master-builder; to him the tariff, the Boer war, the Trans-continental Railway, the unity of Liberalism, the growing greatness of Canada, were all proofs of this one fact.

The Premier in his reply commenced by comparing Mr. Ross in his difficult and defeated political position with another Liberal leader—Mackenzie—who had also been "vilified, abused and slandered." But "we loved him for the enemies he had made." Political issues and conditions were then reviewed—the Autonomy question in the West, the Separate School issue, the problem of Provincial rights, the fiscal situation, the preferential tariff and the mutual preference proposals. Upon the latter point he made this declaration: "What we want from the people of Great Britain is what we want from the people of Canada—that they should do the best for themselves according to their own light, as we are prepared ourselves to do the best for ourselves according to our own light. It has been said that we should have a uniform tariff in the British Empire. I do not think, for my part that it is possible to have that. We may have, perhaps, treaties of commerce. But if we want to maintain the British Empire it is my firm conviction that it can be maintained upon one condition only—the only one condition—and that is that every component part of the British Empire should be left to do the best it can for itself." To him transportation was now "the question of questions." The Government was doing what it could to help development. "We have prepared and organized the construction of another trans-continental railway. But let me tell you that this great project did not come one hour too soon. It came at the right time and not only did it come at the right time but, although the railway is not yet constructed, it is easy to see

that before many years a third, and perhaps a fourth, railway will be necessary through the interior of the country to the coast."

As to the rest he wanted Canadians to commence cultivating the markets of the Orient—especially China and Japan. "I want Canadian merchants to bear wheat and flour into that 400,000,000 market of China and Japan. We have not only the wheat trade, we have also the passenger trade to consider. The Orient is awakening. With four hundred million of people in China, forty million people in Japan and three hundred million people in India there will be many products moving to and from the Orient to Europe and from Europe to the Orient. Hitherto there has only been the Suez Canal. Sir, we have a better route over the Pacific. Mark my words, by and by we shall have train upon train carrying over Canada passengers from the Orient to Europe and from Europe to the Orient." An interesting personal incident of this period was the categorical statement of *La Presse,* a Liberal organ in Montreal, on Mch. 15th, that Lord Minto, then Governor-General, had in 1902 offered a Peerage to Sir Wilfrid Laurier in the name of the King which had been declined. Whether true or not, and *La Presse* seemed assured of the fact, the statement was not denied and was considerably commented upon as a gracious compliment from the Crown. It seemed, curiously enough, to be taken for granted that acceptance of such an honour would involve retirement from public life though just why such should be the case was not explained. A matter of constitutional and party import was dealt with in the House of Commons on April 30 when Sir Wilfrid Laurier gave a definite and clear pronouncement upon the much-discussed question of Senate reform. Speaking upon a motion in favour of amending the present system the Premier declared that at no time had it been entirely acceptable to the Liberal party and that there was even a strong feeling in favour of doing away with the Senate altogether:

> For my part I believe this would be a mistake, and I could not be induced to reconcile myself to such an idea. A second chamber seems to me absolutely indispensable under our system of government. A second chamber has been held to be necessary for two reasons. It is supposed to be a check on hasty legislation. But one consideration which to my mind is absolutely conclusive and paramount is that under our system of government, composed of federal parts, a second chamber is an absolutely needed safeguard for the smaller Provinces against a possible invasion of their rights by the larger Provinces. But if we were to have a reform I would not be adverse to adopting the system of our neighbours and have each Province represented by an equal number of members—whether that Province be large or small. I hold that if the Senate has not given all the satisfaction that we might have expected from it, it is not because the Senate has done anything wrong; on the contrary I believe the Canadian Senate has done very well and that we might well be proud of it.

Minor political events upon the Liberal and Government side of public life may be briefly recorded here. Early in January Mr. George D. Grant, Liberal M.P. for North Ontario,

gave an interview to the Ottawa *Journal* declaring that the Government had become a bureaucracy, that the present tariff was working adversely to the farmers' interests and that if any move were made to increase it he and others would vote against the proposal. The Ottawa correspondent of the Toronto *News* on Jan. 19th stated that Mr. Grant had confirmed these views to him. Sir Richard Cartwright addressed the Canadian Club, Ottawa, on Jan. 20th, in a speech dealing with the origin of Confederation which attracted wide attention. As one of those who had sat very near to the cradle of the great event he spoke with authority though it can hardly be said, in some respects, with impartiality. To him George Brown first and Alexander T. Galt and George E. Cartier second were the real leaders in Confederation and it was the following statement which evoked the most discussion and much natural contradiction from a part of the press and public which had been long taught to regard Sir John Macdonald as the real parent of Canadian unity:

> I desire to be distinctly understood. I do not wish in the slightest degree to under-rate the important services which Sir John Macdonald subsequently rendered to Confederation, and I am very far indeed from desiring to impugn his sagacity or statesmanship in the attitude he took, but it is a fact, nevertheless, that in the first instance Sir John Macdonald was not by any manner of means enamoured of the project. The fact was that Sir John Macdonald was a cautious and prudent man, much more cautious and prudent in regard to some political matters than he perhaps always got credit for. Sir John Macdonald thought that we were taking very great risks both as to the future of the country and as regarded the future of the party with which he was more immediately connected. He did consent, but he consented under duress, under the severest pressure, and not until he had been notified by many of his supporters in Ontario that they would not, in the event of dissolution, come forward as candidates again ; and not until he had been notified in my presence and in the presence of many others by his Quebec allies, that if he would not make terms with Mr. Brown, if he refused to enter into a coalition, they would withdraw their support—not until then did Sir John consent to throw in his lot with us and support Confederation.

Interesting letters in this general connection had appeared in the press from Sir Charles Tupper before the speech occurred—St. John *Sun*, Jan. 6th, and other papers—giving special though subordinate credit to T. D'Arcy McGee; in the Montreal *Gazette* of Feb. 5th from Dr. George Johnson; in the Ottawa *Citizen* of Jan. 24th from Senator Miller. Turning to other questions Mr. J. A. Macdonald, Editor of *The Globe,* addressed the Ottawa Liberal Club on Feb. 16th in most eloquent terms upon "Public Opinion and Public Life"; Mr. F. C. Wade, K.C., of Vancouver, addressed the local Liberal Association in a most elaborate form (Feb. 22) upon the history of Liberalism and gave that party in Canadian annals credit for all that was progressive, formative and in line with liberty; Mr. N. W. Rowell, K.C., spoke at a Liberal meeting in Toronto on Mch. 2nd and dealt with current

conditions of alleged corruption, political "saw-offs" in the constituencies, cynicism in public men regarding matters of political purity, connection of members of Parliament with great corporations, the spoils system in the Civil service, etc. Upon the Prince Albert case in Saskatchewan some plain words were used: "These men, so far, have been fined," said Mr. Rowell, "and that is all that has been done. I hope that it is not all that will be done. I am sure it will be a standing disgrace to the new Province of Saskatchewan if these men are not prosecuted and punished to the full limit of the law." In Winnipeg on Mch. 20, Mr. Isaac Campbell, K.C., addressed a Liberal gathering upon "Democracy"; at Nanaimo on Oct. 16th Mr. Ralph Smith, M.P., spoke at length upon the elements of national character and greatness. All these and many other addresses indicated a growing culture in public life and a certain aloofness from the extremes of party bitterness.

There were several important Liberal references during 1906 to the question of Public ownership of utilities which must be recorded. Speaking at a Toronto banquet on Apr. 19th Hon. George W. Ross expressed opinions which were not altogether favourable: "To become a truly great nation, we must encourage enterprise in individual citizens. We are hearing much these days of the momentary caprice of governmental and municipal control and ownership of big public enterprises, but we will never have a big country, nor big men, unless we give them individual opportunity—unless we encourage that individual enterprise that grasps opportunity. Why remove these incentives to men to grapple with large conditions and schemes? Why take them out of their control? Such a policy is designed to dwarf and stunt the individual and, as a result, we shrivel nationally and we shrivel politically." *The Globe* of Sept. 17th urged the Dominion Government to nationalize the Telegraph system; Mr. T. C. Robinette, K.C., told the Toronto *World* of July 31 that he would go so far as to favour public ownership of the Liquor traffic; Hon. C. S. Hyman told an Aylmer audience on Sept. 18th that, while he favoured public ownership up to a certain point, beyond that he faced the fact that the purchase of Canadian railways capitalized at $1,175,000,000, or electric railways with $49,000,000 of investment, or Telegraphs with $10,000,000 invested, was a very serious matter.

On July 20th a Government Order-in-Council was passed authorizing the making of a treaty with the Indian tribes in the north of Alberta and Saskatchewan which would involve the surrender and opening up of some 85,000 square miles then populated by about 15,000 wandering Indians. Certain conditions were stated and Mr. J. A. J. McKenna was appointed Commissioner to make the arrangements. The Postal Department distinguished itself in 1906 by having a considerable surplus; by

issuing 5,000,000 more money orders and carrying 38,000,000 more letters than in 1905; and by arranging through Mr. Lemieux, its new chief, for various extensions in the free delivery system and improvements in postal service generally. Mr. Fisher, Minister of Agriculture, announced in Parliament on Dec. 4th that the Government was providing for the investment of $1,000,000 in the establishment of cold-storage warehouses throughout Canada so that produce, fish, and fruit might be better cared for. The method was simple. "The Government proposed to grant aid to the extent of 30 per cent. of the cost of providing cold-storage warehouses in localities where the necessities of the trade warrant it, with proper safeguards against competition with existing enterprises. By spreading this aid over terms of years the operation of warehouses receiving the grant, until the advantages of the institution are demonstrated, is insured."

Toward the close of the year it was stated that Capt. Bernier, in command of the Government Exploration Expedition in the Arctic regions had reported taking possession, in the name of the Crown, of the following 14 Islands: Melville Island, Prince Patrick Island, Eglinton Island, Emerald Island, Byam Martin Island, Bathurst Island, Cornwallis Island, Griffith's Island, Lowther Island, Young Island, Garrett Island, Russell Island, Davy Island, Bylot Island. On Oct. 2 the Commissioners appointed to revise the statutes of Canada held their last meeting and announced the completion of the work commenced in 1903 with Sir Henry Strong as chairman, and the following membership: E. L. Newcombe, K.C., Deputy Minister of Justice, E. R. Cameron, K.C., Registrar of the Supreme Court, T. L. Metcalfe for Manitoba, W. E. Roscoe, K.C., for Nova Scotia, D. Robertson for Ontario, and L. P. Sirois for Quebec. Several Government Commissions were appointed in 1906. Messrs. John Miller of Indian Head, Sask., W. L. McNair of Keyes, Man., and G. E. Goldie of Ayr, Ont., were appointed to investigate and report upon all matters in connection with the Grain trade of Canada; Messrs. E. H. St. Denis, J. C. Macpherson and E. S. Macphail were appointed Commissioners to take a Census in Manitoba, Saskatchewan and Alberta; Mr. Augustus Power, I.S.O., K.C., of Ottawa was appointed to investigate certain charges against F. T. Congdon of Dawson, Yukon Territory; Hon. H. M. Howell of Winnipeg was appointed to investigate certain claims to lands on the St. Peter's Reserve in Manitoba; Judge Henderson of Vancouver was appointed to inquire into the conduct of the Shipping-master at that port.

The Judiciary came in for a great deal of criticism during the year and through much of it ran a vein of political attack upon the Dominion Government. Mr. Rogers, in the Manitoba Legislature, and the press upon Judge Prendergast's decision in

the Prince Albert case; the Conservative newspapers in Nova Scotia upon the election cases in that Province, and the Opposition references to the appointment of Mr. D. D. Mackenzie to the County Bench of Nova Scotia; the party charges against the Yukon Judges and alleged impossibility of getting certain Manitoba election petitions to trial; the appointment of Judges upon political Commissions, and the allegation by Mr. R. H. Pope, ex-M.P., at Nelson (Nov. 27) that a vacant Judgeship in British Columbia was practically for sale according to the talk of the town—all these things combined to create a condition of public thought not altogether creditable. Yet in most cases the appointments made were good ones, the men of high character, and the only possible criticism was the fact of past partisanship. The British Columbia charges and rumours were answered by the promotion of County Judge Clement, who had not been an active politician; vacancies in the highest ranks of the Quebec Judiciary were filled by promotion and not by the appointment of political leaders; nothing but praise could be given the selection of Mr. Fitzpatrick or of Mr. L. P. Duff for the Supreme Court of Canada; even in the re-organization of the Manitoba Courts the first political case tried had resulted in what might be termed a Conservative victory. Yet partisan human nature continued to doubt the keen politician of to-day becoming the impartial jurist of to-morrow. The Dominion Government appointments to the Bench in 1906, some of which are mentioned elsewhere, were as follows:

Gazetted.	Position.	Province.	Name.
Feb.	3 Puisne Judge Court of King's Bench.	Quebec	Hon. Joseph Lavergne.
"	3 County Court Judge, Victoria	Ontario	John E. Harding.
"	3 Junior County Court Judge, Victoria	"	Hugh McMillan.
"	3 County Court Judge, Hastings	"	George Edward Deroche.
"	10 Deputy Judge in Admiralty of Supreme Court	British Columbia	Hon. Aulay Morrison.
"	16 County Court Judge	Nova Scotia	Daniel D. McKenzie.
"	16 County Court Judge	New Brunswick	Henry Francis McLatchy.
June	4 Chief Justice Supreme Court of Canada	Ottawa	Hon. Charles Fitzpatrick.
"	6 Chief Justice of the Superior Court	Montreal	Hon. Sir Melbourne Tait.
"	6 Chief Justice of the Superior Court	Quebec	Hon. Francois Langelier.
July	23 Chief Justice of the Court of Appeal.	Manitoba	Hector Mansfield Howell.
"	23 Judge of the Court of Appeal	"	Hon. Albert Elswood Richards.
"	23 Judge of the Court of Appeal	"	Hon. William Egerton Perdue.
"	23 Judge of the Court of Appeal	"	Frank Hedley Phippen.
"	23 Puisne Justice of Court of King's Bench	"	Daniel Alexander Macdonald.
Aug.	31 Puisne Judge of the Superior Court.	Quebec	Louis Philippe Demers.
"	31 Puisne Judge of the Superior Court.	"	Hon. John Charles McCorkill.
"	31 Puisne Judge of the Superior Court.	"	Pierre Eugene Lafontaine.
Sept.	27 Puisne Judge of the Supreme Court of Canada	Ottawa	Hon. Lyman Poore Duff.
Oct.	8 Puisne Judge of the Supreme Court.	North-West Territories	Charles Allen Stuart.
"	8 Puisne Judge of the Supreme Court.	" " "	Thomas Cooke Johnstone.
"	10 Judge of the Supreme Court of Judicature	Ontario	William Renwick Riddell.
Dec.	7 Puisne Judge of the Supreme Court.	British Columbia	William H. P. Clement.

A matter of much public interest and of most unpleasant character must be briefly referred to here. It is the case of one Désiré Brothier of Vancouver, B.C., who had been sentenced in 1904 to seven years in the New Westminster Penitentiary for the crimes of perjury and procuration for immoral purposes. All that need be said of him personally is contained in the editorial statement of *The Province* on June 1, 1906: "To the average, honest, law-abiding citizen who is ignorant of the depths to which human nature can descend when perverted, the foulness of the man's daily life and the unspeakable vileness of the occupation in which he was engaged, would appear incredible." This was concurrent with the announcement that, upon the recommendation of the Minister of Justice, the man had been pardoned and was then on his way to France from whence he had originally come. Vigorous indignation was expressed in Vancouver but in answer to inquiries the Department at Ottawa would only say that "reasons are never given for the pardon or release of criminals." Mr. R. G. Macpherson, the local M.P., said he knew nothing about the matter and in the House on June 13th the new Minister of Justice would only add that no explanation could be given. Meanwhile the Provincial Government had issued a warrant for the man's arrest on charges of forgery and theft which had been held over when he was previously convicted and on the 12th he had been arrested in Seattle, Wash., whither he fled instead of returning to France. In Parliament, on June 15th, Mr. Aylesworth stated that the late Minister of Justice had good reasons for the action taken and the Prime Minister endorsed the statement. On July 13th he was committed by the Police Magistrate at Vancouver for trial in a higher Court and his bail was fixed at $6,000. In this connection some friction occurred between the Dominion and Provincial local authorities.

The retirement of Chief Justice A. B. Routhier, which left room for Judge Langelier's promotion as recorded above, removed from the Bench of Quebec a most cultured and eloquent representative of law and literature. It was stated on Mch. 19 that Senator L. G. Power had declined the Lieut.-Governorship of Nova Scotia to which Judge Fraser was afterwards appointed. On Mch. 27th the appointment was gazetted of Mr. Arthur Peter Low, B.A.SC., as Director of the Geological Survey in succession to the late Dr. G. M. Dawson, C.M.G. Mr. John Mortimer Courtney, C.M.G., I.S.O., resigned the post of Deputy-Minister of Finance, after many years' service, and was succeeded on Oct. 24th by his assistant, Mr. Thomas Cooper Boville, B.A. The position of Assistant Deputy Minister was filled by the appointment of Mr. Henry C. Ross of Bridgewater, N.S. The death of Colonel L. F. Pinault, C.M.G., left an important vacancy which was filled on Dec. 22nd by the selection of Colonel Eugene Fiset, D.S.O., Director-General of the Army Medical Service, and a popular officer, to serve as Deputy Minister of Militia.

Senate Appointments and Bye-Elections in 1906

There were a number of Senatorial appointments during the year. On Mch. 7th it was announced that the four Senators to whom the new Western Provinces were entitled would include Dr. J. M. Douglas, M.P. in 1896-1904 for East Assiniboia; Hon. L. G. DeVeber, M.D., of Lethbridge, a member of the Saskatchewan Government without Portfolio; Peter Talbot, M.P., of Strathcona, and Dr. Philippe Roy of Edmonton —a French-Canadian newspaper man. The two first were representatives of Saskatchewan; the two latter of Alberta. Mr. Robert Jaffray, President of the Globe Printing Company, Vice-President of the Imperial Bank and the Crow's Nest Pass Coal Co., etc., was also appointed in place of the late Senator Fulford of Brockville. This latter selection was a most popular one in Ontario and, indeed, elsewhere. Though a vigorous Liberal in sentiment Mr. Jaffray had no enemies and many friends in all parties, while his financial position made such an appointment eminently fitting. In British Columbia a matter of rival claims between Victoria and Vancouver was settled by the appointment in March of Mr. George Riley of the former place and a promise from Mr. Templeman of consideration for the latter city in the next Provincial vacancy. At the close of the year two Ontario seats were vacated by the deaths of Senators Vidal and Kerr and renewed rumours were current as to the appointment of Hon. G. W. Ross to one of them while the claims of Mr. John Charlton, ex-M.P., were vigorously pressed. The following bye-elections for the House of Commons took place during the year:

Date, 1906.	Constituency.	Liberal Candidate.	Opposition Candidate.		Majority.	
Jan.	4 Compton, Que.	A. B. Hunt	R. H. Pope	Lib.	Hunt.	350
Feb.	6 Assiniboia, W.	W. E. Knowles		Lib.	Acclamation.	
"	6 Saskatchewan	G. E. McCraney		Lib.	Acclamation.	
"	6 Sherbrooke, Que		A. N. Worthington	Cons.	Acclamation.	
"	23 Maisonneuve, Que.	L. A. Grothe	A. Verville	Lab.	Verville.	1057
Mch.	6 Victoria, B.C.	Hon. W. Templeman	J. L. Beckwith	Lib.	Templeman.	696
"	14 Cape Breton, N.S.	A. C. Ross	J. McCormack	Lib.	Ross.	834
April	5 Strathcona, Alta.	Wilbert McIntyre	F. W. Crang	Lib.	McIntyre.	1518
Oct.	4 East Elgin, Ont.	Granville Haight	D. Marshall	Cons.	Marshall.	73
"	9 North Renfrew, Ont.	Thomas Murray / M. McKay	Gerald V. White	Cons.	White.	1001
"	16 St. John's and Iberville, Que.	Joseph Demers		Lib.	Acclamation.	
"	23 Quebec County	George E. Amyot	L. Robitaille	Ind.	Robitaille.	388
"	30 North Bruce, Ont.	A. McLelland	John Tolmie	Cons.	Tolmie.	471
"	31 Shelburne and Queens, N.S.	Hon. W. S. Fielding	Dr. R. C. Weldon	Lib.	Fielding.	1016
Nov.	21 Montreal (St. Ann's)	J. C. Walsh	F. J. Curran	Lib.	Walsh.	202
"	21 Montreal (St. Mary's)	M. Martin	Joseph Ainey	Lib.	Martin.	1204
Dec.	29 Nicolet, Que.	C. R. Devlin	George Ball	Lib.	Devlin.	393

Some of these elections were important events in current political history. All of them require some reference here. In the Compton election both parties made strong efforts to win. Originally a Conservative constituency, and represented by Mr. R. H. Pope, the latter hoped to regain it as a result of unseating his previous opponent. Sir Wilfrid Laurier and Hon. Mr. Fisher spoke at

Cookshire and Lake Megantic during the contest as did Mr. Fielding at Compton Village and other places. Mr. R. L. Borden, the Opposition Leader, addressed several meetings. The Liberals laid stress upon the value of the Preferential tariff; Mr. Borden and Mr. Pope upon the benefits of the mutual preference which they declared the Government might have obtained or at least helped to create; the one spoke of the settlement of the School question in the new Provinces; Mr. Pope hinted that French should have been established there as a dual language. The result was not very pleasant to the Conservatives who lost a seat again which they had held from 1867 to 1904. Maisonneuve, on the other hand, which the late Mr. Prefontaine had held by over a thousand majority since 1896 was lost to a Labour candidate by a similar majority. It was Mr. Brodeur's first bye-election as local Liberal leader and the result seems to have been due to personal weakness in the Liberal candidate and unexpected activity and strength in the other as well as to the Conservative support being given to Mr. Verville—who was also President of the Dominion Trades and Labour Council.

The St. Ann's, Montreal, election was caused by the unseating and disqualification of Ald. D. Gallery, Liberal member since 1900. The case had excited much local interest and had stirred up various party divisions and personal animosities but was settled by the decision of Judges Davidson and Robidoux on Jan. 2nd. The former in his judgment said: "I am of the opinion that a system of general corruption was maintained in the interest of the respondent during the election. I am of the opinion that the respondent is personally responsible for this corruption just as though he had practised corruption himself, for having furnished the chairman of his committee the means of exercising the same in the manner I have just described, and in consenting to its being exercised or in wilfully ignoring this corruption." His Lordship also declared that in the whole range of election law cases, the one in hand was without a parallel. Appeal was taken to the Supreme Court and on Oct. 11th dismissed; thus confirming Mr. Gallery's disqualification for seven years. After an inter-party fight between Dr. J. J. Guerin and Mr. J. C. Walsh, the latter won the Liberal nomination and, a little later, the constituency over a son of Mr. Justice J. J. Curran. In St. Mary's, Montreal, vacant through Mr. Camille Piche, K.C., accepting a Judgeship, the Liberal candidate defeated Mr. Ainey, the Labour man, by a large majority despite the significant support accorded the latter by Mr. Bourassa who, with his follower, Mr. Lavergne, M.P., spoke for him at a couple of meetings. The Nicolet election was notable for a rather bitter fight between Mr. C. R. Devlin, the former Home Rule member at Westminster and the local Conservative ex-M.P. Messrs. Brodeur and Lemieux spoke for the Government at a number of meetings and Mr. L. T. Marechal,

K.C., of Montreal, was the leading Conservative speaker. A number of personalities were indulged in and the amount of public works supplied the riding by opposing politicians seemed to be a prominent issue. Mr. Devlin won by a large majoriy.

The most prominent Quebec contest of the year was, however, in Quebec County, which Hon. Mr. Fitzpatrick had held in the Liberal column by large majorities since 1896 and which his appointment to the Bench now left vacant. The issue was complicated by the very complete supremacy of Liberalism in the riding and not by the actual strength of the Conservative party; by the internecine feuds of the Parent-Choquette divisions in the party; and by the interjection of Mr. Bourassa as a potent element in the situation. Eventually, on Sept. 22nd, Mr. George E. Amyot, a Quebec City manufacturer and President of the Board of Trade, was nominated at a meeting in the office of Mr. Cyrille Delage, M.L.A., and confirmed by a telegram from Sir Wilfrid Laurier as the regular party candidate. Other Liberal candidates were brought forward, in opposition to what was claimed to be an irregular nomination, of whom the chief was Mr. Lorenzo Robitaille. He was ultimately the selected candidate in opposition to Mr. Amyot and with the vigorous fighting support of Mr. Bourassa. Sir Wilfrid Laurier had, meanwhile, been in Quebec trying to reconcile the contending factions but in vain and the contest stood as between a Government nominee and a supporter of Mr. Bourassa running as an Independent Liberal. The result was the election of Mr. Robitaille by a substantial majority and much Conservative rejoicing over what was declared in this, as in the Maisonneuve case, to be a blow at the Prime Minister's personal prestige. Upon this point and the general situation the Liberal organ in Montreal—the *Herald* of Oct. 19th—may be left to speak:

> In the Quebec cases, the Conservative Opposition is so lamentably and abundantly weak that the Liberals are deprived of the principal motive to unity, which is the first essential to making a proper choice. The prestige of Sir Wilfrid Laurier is being overworked, and is being made to do duty where it never ought to be invoked. The result, which was bound to come sooner or later, is seen in such disagreements as that of Quebec County, and in such a disappointment as that of Maisonneuve. The situation in Montreal is sufficiently serious, and is made more so by the fact that the self-seeking, who are always most active when a party is in power, have not of late been given to understand that their effacement is called for in the general interests.

Mr. Robitaille, who was only 22 years of age, went to the House as an addition to the party composed of Mr. Bourassa and his other youthful follower, Armand Lavergne. The Montreal *Witness* (Liberal) referred, on Oct. 24th, to the result as follows: "Mr. Bourassa's appeal is to race feelings, which, as is well known in politics, out-do all the other forces, even gratitude for benefactions heaped upon Quebec. It is a triumph for separatist

and anti-imperialist sentiments over national ones. But, anything to beat Laurier." Three contests took place in Ontario. The North Renfrew one was chiefly notable as having two Liberals in the field against one Conservative—the latter a popular son of the late Hon. Peter White, M.P., who had represented the constituency since 1874 with only one break between 1896 and 1904. Mr. G. V. White won by a large majority over Mr. Murray who was the straight Liberal candidate. In North Bruce, a riding held since 1882 by small Conservative majorities and vacant owing to the death of the sitting member, was swept by Mr. Tolmie into the Liberal column with several hundred majority. Hon. Mr. Aylesworth addressed a number of meetings in this contest and Mr. R. L. Borden, also, took part for the Opposition. East Elgin which Mr. A. B. Ingram had represented as a Conservative since 1891 remained Conservative. The issue was, no doubt, affected by the first-chosen Liberal candidate, W. F. Hepburn, having to retire from the field because of some scandalous and detailed personal charges made against him. As to these County Judge C. W. Colter, before whom the case came on Nov. 7th, declared the whole thing to be " nothing but a political plot."

Mr. W. E. Knowles' election in West Assiniboia was by acclamation but a would-be opponent, Mr. F. S. Pingle of Medicine Hat, had his nomination papers rejected by the returning officer for alleged irregularity and made some stir over the fact. The Liberals claimed that he was not really a candidate but only seeking notoriety; while Mr. Pingle stated that the irregularity in his papers was deliberately concealed from him until too late to correct it. Dr. McIntyre's election in Strathcona was a straight fight upon straight party issues and seems to have been fairly indicative of the Government's strength in that part of the West. In Victoria, B.C., the appeal was made directly to the natural desire of the people to be represented by a Cabinet Minister and the main incident was the publication of a private letter from Sir John Macdonald to Hon. Edgar Dewdney in 1888 declaring that if he (Dewdney) was defeated in seeking re-election, after appointment to the Cabinet as representing the West, an Ontario man would take his place. The result was a large majority for Mr. Templeman in a constituency which had been Conservative from 1867 until 1904. In Nova Scotia the constituency of Cape Breton (North) was a new one created in 1903 and Mr. Ross held it in the Liberal column by many hundreds more of a majority than the retiring member (Judge D. D. Mackenzie) had received two years before.

Meanwhile, the case against Hon. W. S. Fielding, Minister of Finance, in Shelburne-Queens, N.S., had been dragging its way through the Courts from 1904 up into the year under review. On Aug. 6th the election trial commenced before Chief Justice Weatherbe. In the original petition there were particulars of 297 cases of alleged illegal practice. Some 35 witnesses were

examined but consideration was finally narrowed down to some eight cases in which corrupt practices were claimed. Mr. Fielding testified that he had, long after the elections of 1900, paid a lump sum for expenses incurred for him in that contest by his friend and political associate, Mr. E. M. Farrell, Speaker of the Nova Scotia Legislature, but that he never authorized any payments or assumed any expenses in the election of 1904. He never authorized, directly or indirectly, any expenditure for the 1904 election except as shown by the return of his election agent. He had held several meetings in the County, and had always appealed to the electors to give him their support for legitimate reasons, and legitimate reasons only. In the succeeding evidence it transpired that Mr. Farrell had expended $600 in the 1904 contest of which part went to a man named Seldon who had used it in an improper manner. Mr. Farrell could not be got at as a witness in the trial. In finally giving judgment the Chief Justice said that he was impressed with the hardship of making a statesman "whose sole desire was to serve his country" responsible for the corrupt act of a few agents among so many persons who innocently assisted in securing his election. The rules of agency were relaxed in election cases and it was important for a Judge to inform himself as to the practice of election courts. He was sorry to relax the rules, but he felt himself bound by the decisions to hold that Farrell was an agent and that Mulhall and Seldon were also agents. Mr. Fielding had to depend on these men. If not, on whom could he depend? The money paid to Seldon was paid without the knowledge of the Liberal Association and was evidently a secret fund. The proof was clear that it must have been used illegitimately."* The personal charges were dismissed and the seat declared vacant.

The result was hailed with pleasure by the Opposition which claimed that the money spent in this contest was only part of a fund which had defeated Mr. Borden in Halifax and enabled the Liberal party to sweep the Province in 1904. As Mr. Fielding was the Liberal leader responsible for this great success so they now endeavoured to make him responsible for what was alleged to be a revelation of the means by which it had been obtained. Following the decision the Conservatives appealed the case on the ground of inquiries as to the 1900 election having been improperly ruled out—these inquiries being essential to the proof of personal charges against the Minister. Then came the technical question as to whether the bye-election could be brought on with the appeal pending. The Court refused to send a certificate to the Speaker of the House of Commons as to the voiding of the election and the matter, therefore, hung fire for some time. The case was argued before the Supreme Court of Canada on Oct. 5th and the appeal dismissed with costs.

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* Note—Report of proceedings in Halifax *Chronicle*, August 18, 1906.

The election was at once brought on and Mr. Fielding was re-nominated at a large Convention on Oct. 17th. Dr. Richard C. Weldon, ex-M.P., Dean of the Dalhousie University Law School, was his opponent. The contest was a keen one. Speaking at Liverpool on Oct. 24th, in a joint meeting, Mr. Fielding said: "This election should be conducted in the strictest conformity with the election law. The use of any corrupt means would be a great public wrong and also a wrong to me. Let us have a clean, free and honest election. Let the voice of the electorate be free and untrammelled, and I will accept the verdict. Watch the enemy. Do not imagine because the Tory papers preach purity that that is their policy." Dr. Weldon, a man of high character, attainments and reputation, in replying stated that he had twice been offered a seat in the Dominion Government in the old Conservative days; declared that he respected Mr. Fielding for his capacity and personality but that a watch-dog was now needed at Ottawa where most of the increased expenditure was "a colossal steal"; and announced that the men of all parties who took part in the recent Indemnity grab acted like "bandits" and that in this respect he was specially ashamed of his own party. At a meeting in Greenfield on Oct. 25th he went further into the Indemnity affair and characterized Mr. Borden's support of it as "disgraceful."

Mr. Fielding issued a brief and moderate Address to the electors on the 17th of which the most notable clause was perhaps the allegation that when the original petition was brought to trial the Conservatives did not call a witness in support of the personal charges. Dr. Weldon's position may be seen by the following extract from his Address to the electors: "If elected I will use my influence in Parliament to secure clean elections and thereby lessen the influence of unscrupulous corporations; to lighten the burdens of the common people; to check the shameful waste of the people's money; to drive out of the public service the many thieves whom the Laurier Government has allowed to fatten at our expense; to help our fishermen to secure better markets; to bring into the Eastern Provinces immigrants where needed; to amend the Life insurance laws and ensure safer policies and lower premiums; to secure a repeal of the Indemnity Act of 1905." The large majority of a thousand given to the Minister on Oct. 31st was accepted by his own party as a complete vindication of his position and was considered by many, not of the party, as a fitting compliment to an able member of the Government. That many Conservatives must have voted in his favour was obvious from the large vote polled and by the fact of his previous majority having never been higher than 400. The event was celebrated by a public reception and enthusiastic welcome in Halifax on Nov. 1st.

At the Windsor Hotel in Montreal, on Nov. 20th, a banquet

was tendered Mr. Fielding by the Reform Club of that City with some 500 guests present and Mr. L. E. Geoffrion in the chair. A number of Dominion and Provincial Ministers were present as well as the pick of Quebec Liberalism. It was a welcome to the victor in the recent contest and to a Minister who was popularly supposed to be Sir Wilfrid Laurier's selection for the future Premiership. Amongst the speakers were Sir F. Borden, Hon. S. A. Fisher, Hon. W. Paterson, Mr. Premier Gouin and Hon. G. W. Ross who all paid their meed of praise to the Minister of Finance. Mr. Fielding's speech reviewed the not infrequent unseating of Conservative Ministers in Canadian history as proving that his case did not stand alone; declared the charges advanced in his constituency as largely partisan trivialities; spoke of the sin of false witness as an equally grave offence with the sin of bribery and declared that on the platform and in the press the Conservatives had systematically misrepresented conditions in Queen's-Shelburne; expressed his belief in clean politics and elections and his desire for legislation in connection with any weakness existing in the laws for the repression of corruption; reviewed the financial condition and general progress of the country and hit back at his critics as follows:

> One important lesson which I think may be learned from the recent elections in the Dominion is that the verdict of the electorate is to be given with due regard to the larger things of government, rather than to the petty things. It is the misfortune of the Conservative party that it now seems to devote itself chiefly to the little things of politics. Whatever might have been said of the Conservative party of olden times, in the days of Sir John Macdonald and his associates, none could deny that that party had large views and gave prominence to the larger questions. To-day it would seem the Conservative party expends its strength in the discussion of what percentage of profit a shopkeeper should get upon things he sells to the Government. I have just passed through a campaign in which I have heard representatives of the Conservative party discuss what they were pleased to regard as the public questions of the day, and I do not recollect of hearing a single word on such questions as the tariff, or the Trans-continental Railway, or the development of the North-West.

It may be added that there were several other controverted election cases which came over to 1906 from the general elections of 1904. On Jan. 19th the case against Henry Lovell, M.P. for Stanstead, was dismissed and on May 14 Dr. Thompson of the Yukon was confirmed in his seat. On July 17th the trial of a petition against the return of William Roche and Michael Carney, Liberals, for Halifax (where Mr. R. L. Borden was defeated in 1904) came on after passing through various and many forms of legal delay. The original trial had been extended from time to time, the last extension being to July 14th, 1906, and in May the Supreme Court of Nova Scotia had inadvertently set July 17th for the trial. When the case came on and attention was drawn to the fact of its being three days late the petition was dismissed

although, in the meantime, Mr. Justice Russell had granted an extension from July 14th to Aug. 15th. Appeal was at once taken and on Oct. 4th the Supreme Court of Canada returned the case to the Nova Scotian Court for trial.

The Parliamentary Sessions of 1906

Owing to the changes in the fiscal year and the Government's desire to initiate an earlier date for the meeting of Parliament there was in this year the usual full Session and in November the commencement of another. The first and principal of these Sessions was at times a stormy one; at others filled with scandalous charges made by the Opposition and repelled with vehemence by the Government; notable for the passage of the difficult and complicated Lord's Day Act; marked by the personal successes in varied and opposing lines of Hon. Clifford Sifton, W. F. Maclean and Henri Bourassa; characterized by the continued clever management of the House by the Premier and the able Parliamentary work of the Opposition Leader; with Mr. Brodeur and Mr. Lemieux as two of the successful Liberal leaders and Mr. H. B. Ames and Dr. A. A. Stockton as rising Conservative figures; with Messrs. Aylesworth and Foster as prominent figures before the country and in the House.

The Session was opened on Mch. 8th by H. E. Earl Grey in a Speech from the Throne which first expressed regret at the death of Queen Alexandra's father, the King of Denmark, and then offered congratulations to Parliament and the country upon the admission of Alberta and Saskatchewan as constituent members of the Confederation; the bountiful harvest and continued development of industries and transportation facilities were referred to and the continued flow of immigrants into the country mentioned; the conclusion of a Treaty, on behalf of Canada, between Great Britain and Japan was announced; reference was made to the steady and rapid destruction of forests resulting from the operations of lumbermen, affecting the uniform flow of rivers and limiting the use of water powers to a few months in the year, and legislation was promised empowering the Government to set apart forest reserves on lands under its control; announcement was made of the final relief given the Imperial treasury in the garrisoning of Halifax and of similar arrangements pending at Esquimalt; a Royal Commission of Inquiry into Life insurance conditions was promised and satisfactory progress reported in the construction of the National Trans-continental Railway; the work of the International Waterways Commission was said to have been delayed by doubts as to the jurisdiction of the American Section and the following reference to its work was made: "The great development of commerce on the waters dividing the two countries and the opportunities for the generating of electric power at many points necessarily evolve questions which can only be dealt with by international arrangements or by treaty.

At Niagara the Commission will have to consider how best to preserve the scenic effect of the Falls, while not unduly restricting the use of the flow of the Niagara River so valuable for power purposes."

Various measures were also promised. The Address was moved by Messrs. W. E. Knowles of West Assiniboia and William Chisholm of Antigonish, N.S., and it passed, after a brief debate, without division. Only a few of the principal measures or incidents of the Session can be referred to here. Mr. Brodeur carried through the new arrangements regarding the Harbour of Montreal and its management; Mr. Fisher passed useful measures as to Fruit marking and amendments to the Manitoba Grain Act; Mr. Oliver's legislation included the Forest Reserve Act, the important regulations as to placer mining in the Yukon, and the Immigration measure. Mr. Fitzpatrick's last Session was made memorable by the Lord's Day Act and he was also responsible for the popular Anti-Usury Act which was intended to prevent moneylenders from charging borrowers more than 12 per cent. interest on loans of less than $500 or more than 6 per cent. from the date of any action to recover the principal. Another Bill of the Minister of Justice dealt with matters affecting Members of the House and payment for their influence in legislation. The principal clause, as adopted, read as follows: "No member of the Senate or House of Commons shall receive or agree to receive any compensation, directly or indirectly, for services rendered, or to be rendered, to any person, either by himself or another in relation to any bill, proceeding, contract, claim, controversy, charge, accusation, arrest, or other matter before the Senate or House of Commons, or before a Committee of either House, to influence or to attempt to influence any member of either such House."

In Committee the original punishment was reduced by striking out provisions for imprisonment, by reducing the fine from $10,000 to not less than $500 nor more than $2,000, and by fixing the terms of disqualification at five years. Mr. Fielding presented Bills which re-arranged the fiscal year so as to commence on April 1st and abolished the unpopular annuities to Privy Councillors while Mr. Aylesworth re-modelled the Judiciary systems of Manitoba and New Brunswick. Mr. Emmerson carried important amendments to the Railway Act regarding Telephones and Express Companies. There were a great many private Bills—indeed this was a feature of the Session. More than 125 measures dealt with the interests of corporations and individuals including the important ones relating to the Grand Trunk Pacific Branch Lines and the Bell Telephone Company. Mr. W. S. Calvert, the Liberal Whip, was prominent in this connection and Messrs. A. Campbell, W. A. Galliher, R. G. Macpherson, L. G. McCarthy and Robert Stewart each had a number of these Bills in hand. Much of this legislation concerned the incorporation of railways.

The Telephone Bill was the most notable piece of work of a corporation or anti-corporation character in the Session. In the Government amendments to the Railway Act (1903) Hon. Mr. Emmerson, after varied discussions in the House, succeeded in putting Telephone companies under the control of the railway Commission and with the obligation of giving exchanges to other Telephone companies. Control of charges was given to the Commission. Practically, the Bell Telephone Company, while allowed by a private measure to increase its capital to $30,000,000, was also told by Government and Parliament that it must do business upon fair principles with independent companies, in non-competing territories, and in such a manner as would be helpful to the public. Another victory for public control, and perhaps a stepping-stone to public ownership, was the placing of Express Companies and their rates under the Railway Commission. The latter point was, also, a victory for Mr. W. F. Maclean and his long-pressed agitation in this respect.

The repeal of the much-discussed annuities to certain public men who had served in the Government for a given length of time was moved by Hon. Mr. Fielding, on June 29th, with a few brief remarks in which he pointed to the lateness of time in the Session when this and the Indemnity increases had been presented in 1905, and dealt with the obvious unpopularity of this particular measure. It had been the subject of more than ordinary criticism. "On the other hand, I wish to add that I think the principle of this measure is a sound one. I think there is no more reason why a Judge of Canada, after serving his country for a period of years, should receive a pension than can be assigned for the granting of a pension to a Cabinet Minister who has served his country for a reasonable period." The Government had, however, decided to repeal the Act as being in advance of public opinion. The Hon. G. E. Foster protested against this decision: "When the Parliament of any great country legislates it is supposed to legislate sanely and with its eyes open, and in a case of this kind, as in many other cases, certain rights are created. Under the legislation certain action may have been taken by the beneficiaries of the legislation acting in good faith and relying upon an Act of Parliament passed, supposedly, under sane and deliberative conditions." Mr. Fielding simply said that, under all the circumstances, and in view of the fact that no bargain or contract had been made between the beneficiaries and Parliament, it was not deemed that any vested rights had actually been created.

A little later a Memorial signed by Sir Adolphe Caron, formerly Minister of Militia, on his own behalf and that of other beneficiaries, was presented to the Government claiming (1) that the justice of making some such provision for public men had been under consideration for years and was no new question in either party, in caucus, in Parliament, or in Committees of the

House; (2) that the example of the Mother of Parliaments was in favour of some adequate provision for ex-Ministers when it was needed; (3) that only momentous and impelling reasons would warrant the tearing up of a Parliamentary and Government pledge by such a course as repeal of the Act; (4) that repeal would involve national repudiation and be a bad precedent to establish. The reply to these arguments, advanced in some quarters, was that the public had vested rights also; that ex-Ministers had in any case been well paid for their services; that if any of them had a personal grievance in this connection it was against the Government and those who had supported the general indemnity legislation and not against the country which had never approved of it. The measure passed in due course. It may be added here as a matter of reference that the ex-Ministers in Great Britain enjoying current pensions of this description were Lord Cross, Mr. Gerald W. Balfour, Lord George Hamilton, Mr. Henry Chaplin, Lord Balfour of Burleigh and Sir John Gorst—from $6,000 to $10,000 each.

Meanwhile, Messrs. W. F. Maclean and Uriah Wilson had both proposed measures repealing the companion bill of the past Session which increased the Members' indemnities; but without success and with slight support from the members. The feeling in the country had continued to be strongly expressed from time to time upon the subject. The "Salary grab" as it was so frequently called evoked a stream of letters in the press from all kinds and conditions of men. The Montreal *Star,* for instance, took a sort of plebiscite of its readers and published on April 28, May 5, and other dates whole pages of brief letters denouncing the action of Parliament in this matter. In the Commons the subject was debated during the discussion of the Address when Mr. Borden drew attention to the fact that the Government was constitutionally responsible for the whole of this legislation and Mr. Maclean denounced it with vigour. It was dealt with again on May 2nd when the latter introduced his Bill abolishing the annuities and increased indemnities and Mr. Wilson, in supporting him, said that the indemnity paid for the six year period from 1867 to 1873 was equal to $173 per month to each member; for the six years 1890-1895, inclusive, it averaged $250; and from 1900 to 1905 the indemnity, on the basis of the present figures, would average $483 per month. It was discussed at length on May 9th when the House rejected repeal by 167 votes to 9, both Leaders voting against it and only nine members voting for it. The minority included the mover, Dr. Barr of Dufferin, Richard Blain of Peel, Peter Christie of South Ontario, Peter Elson of East Middlesex, F. R. Lalor of Haldimand, Dr. R. N. Walsh of Huntingdon, Uriah Wilson of Lennox and G. H. McIntyre of South Perth. Mr. McIntyre was the only Liberal in the minority.

The increased indemnity was defended by Dr. Sproule because of the increasing length of the Sessions and by Mr. Bourassa because it was really a salary and a good salary was necessary to keep the House from passing into the control of wealthy men. Messrs. Kemp, Osler, Lancaster and Ingram—all Conservatives —also supported the increase. Sir Wilfrid Laurier speaking, he said, as a Member of the House and not as a Minister of the Crown, declared that while the Government was technically responsible for the original legislation yet the Opposition must morally share in the responsibility because it had neither opposed nor criticised the measure. The reason he had assented to the increase was simple. Until 1901 the Sessions had been of reasonable length; in 1903 the Session lasted for seven months; in 1904 it was five months in length and in 1905 it was six months. The reason for this was the increase in the public business. In England Parliament did not pass more than one-fifth of the legislation outlined at its opening and so a comparison could not be drawn between the two countries. If Sessions were to last five, six, or seven months was it to be expected that members would sit for such a length of time and not receive a fair remuneration? In England the democracy had come into Parliament this year in large numbers, and one of the first measures proposed was to provide an indemnity for members. In the United States the indemnity was $5,000 and this year a proposal had been made to increase it to $7,500.

Mr. R. L. Borden followed the Premier and stated that, as Leader of the Opposition, he knew how difficult it was to get men to enter public life because they could not afford to make the sacrifice, and without a reasonable indemnity many of the best members would be compelled to give in their mandates. At the rate of $2,500 a Session a member who attended to his duties was not receiving too much, but if he did not attend to his duties he was not worth anything. It had been said that the increase was in the nature of an experiment. If so, results were justifying it, for he had never seen a better attendance in the House than he had seen this Session. The Opposition, he ventured to say, had not been negligent of their duties. On the contrary they had been energetic, active and determined.

The Lord's Day Act was the chief subject of controversy in the legislation of the Session. It was stated early in February that the projected measure would be based on proposals submitted by the Lord's Day Alliance of Canada. The great difficulty was to unify and harmonize the varying needs and conflicting religious opinions of the different Provinces. Ontario had a very decided view that Sunday should be observed as a day of rest and this feeling was even stronger in the Provinces by the sea. On the other hand, in Quebec the opinion was numerously entertained that religious duties having been discharged in the forenoon of Sunday, people were free to enjoy recreation in a rational way.

Moreover, the custom had grown up of doing on Sunday, after Mass, some things which were innocent in themselves and yet conflicted with the Protestant idea of Sabbath observance. On Mch. 20 a deputation of Protestant clergy waited upon the Prime Minister and congratulated him and the Government upon the draft bill, as proposed, and presented a Memorial urging that no exemption be allowed from the application of the law as had been asked by the Hebrews and the Seventh Day Adventists. Sir Wilfrid in his reply laid stress upon the need of conciliation in opposing views and the duty of the Government to protect minorities.

Every kind of opposed or contradictory opinion was expressed, and pressed upon the Government, during the next few months. The Montreal Board of Trade (Apr. 11) opposed the measure as dangerous to the commerce of the country and an undue interference with the liberty of the subject; Railway interests represented by Messrs. D. McNicoll of the Canadian Pacific, F. H. McGuigan of the Grand Trunk, C. W. Spencer of the Canadian Northern, H. H. Adams of the Canada Southern and representatives of the Canadian Manufacturers Association, the Express Companies and the Shipping Federation of Montreal, protested to the Special Committee of the House (Apr. 26) against the transportation restrictions of the Bill; the Presbytery of Winnipeg on May 8 warmly approved the measure as did the Assiniboia Methodist Conference on June 4th; the Methodist Conference of Quebec and Eastern Ontario protested (June 4) against any exemption of religious bodies from the application of the law.

Much French-Canadian feeling against the Bill was strongly and variously expressed, and voiced in such statements as that of Hon. J. Israel Tarte in *La Presse* on June 25th: "We hope that such a Draconic measure will never be adopted. Never has the liberty of the subject been so disregarded. As a matter of fact such a Bill would not be accepted in a country governed by the most autocratic methods. There is no Government or public man capable of carrying such a measure into force. We are asked how Sir Wilfrid Laurier ever became a champion of so retrograde a measure." The Montreal City Council unanimously protested against its adoption on June 25th as did the Chambre de Commerce; while a mass-meeting in Montreal, on June 29th, addressed by Messrs. Bourassa and L. T. Marechal, appealed most urgently to Parliament "to have regard for Provincial rights in this matter and not to impose on the Province of Quebec a law contrary to the customs, sentiments, the interests and the civil rights of its inhabitants." Mr. Bourassa made a fiery speech in which he declared that "the man or Government endeavouring to force such iniquitous legislation down the throats of the people is unworthy of the name of Liberal." Upon the other hand, Archbishop Bruchési had written the Minister of Justice on Mch. 29th that he approved the principle and most of the clauses of the Bill:

I consider it quite in order that all traffic, all sales, unless they refer to the necessities of life, should be prohibited on Sunday and the same should apply to the running of freight trains when they are not a real necessity. As to trains and steamers for the transportation of passengers, they should be, of course, less numerous on Sunday than during the week, but I would not demand their suppression altogether. It behooves us to accord to our people and particularly the labouring classes, facilities for leaving the city and to making trips on Sunday which they could not, perhaps, make on any other day. I am, however, absolutely opposed to the organization of public excursions, whether it be with the object of making money or amusement, experience having proved that these excursions promote disorder and deplorable abuses. I approve entirely of the clause of the Bill which prohibits theatrical representations, concerts and tournaments given as public or paying entertainments.

In Parliament, the debates were too numerous to deal with in detail. The Quebec members seem to have been critical and frequently antagonistic in spirit if not actually in active opposition; the English-speaking members were split up into various lines of individual thought and feeling. Mr. Camille Piche, K.C., embodied the French opinion which feared interference with Provincial rights in an amendment which was defeated on June 20th. He was supported by only six followers. Sir Wilfrid Laurier claimed that this legislation, in the main, embodied the Divine law that no work should be done on the Sabbath; that in this respect it was similar in principle to the practice of most Christian countries; that Canadian Provinces could not legislate efficiently in this direction because their powers had been restricted by a decision of the Judicial Committee; that the measure involved the preservation of the 24 hours a week rest which was so physically necessary to all workers. Mr. Bourassa made a bitter attack upon the Bill as promising immunity to the Jews and enabling them, in practice, to make Christian employees work on Sunday. On the following day he turned his guns upon the Rev. J. G. Shearer, General Secretary of the Lord's Day Alliance, and charged him with forcing it upon the Government and the French-Canadians: "I fully respect him or any other gentleman who thinks this legislation should be passed; but it is imposed because of the lack of courage of this Government and of this Parliament not to resist the pressure exercised upon them. By this Bill they are putting a premium on hypocrisy, drunkenness, idleness and the vices that develop in any country where the attempt is made to make people virtuous by law, instead of relying on the individual conscience and the moral quality of the Church, which should be influential enough to keep people within bounds without the aid of the law to tell people that they must be good." In his reply the Premier used a phrase which caught the public attention. Last year the cry against him in Ontario had been Sbarretti; now in Quebec the cry was Shearer. The whole measure was, he declared, and must be, a matter of concessions and compromises.

The suggestion was made on June 27th by Mr. W. F. Maclean that such a law should be relegated to the Provinces with an Inter-Provincial and Dominion Conference to be held for the purpose of requesting full powers by an amendment of the British North America Act if necessary. On this date the Clause exempting Jews and Seventh Day Adventists was defeated by 79 to 57 votes—Messrs. Fielding, Paterson and Aylesworth of the Government voting against exemption and Mr. R. L. Borden in favour of it. Mr. Bourassa's amendment extending the exemption to all who conscientiously and regularly observed any other day in the week except Sunday as one of rest and worship was defeated by 94 to 43 though supported by Sir Wilfrid Laurier and Messrs. Brodeur and Lemieux. A stormy debate took place on July 6 as to the Sunday allowance of games such as golf and cricket upon the grounds of Clubs where an annual fee is paid. An afternoon amendment prohibited such sports but this was reversed at the evening Session—Messrs. Hugh Guthrie, Thomas Martin, J. B. Kennedy, Bourassa and Lavergne refusing, however, to follow the rest of their party in the matter. As finally passed the chief Clause enacted was as follows: "It shall not be lawful for any person on the Lord's Day, except as provided herein or in any Provincial Act now or hereinafter in force regarding matters coming within the classes of subjects enumerated in Section 92 of the British North America Act, 1867, to sell or offer for sale or purchase any goods, chattels, or other personal property, or any real estate, or to carry on or transact any business of his ordinary calling, or in connection with such calling, or for gain to do, or employ any other person to do on that day any work, business or labour."

The exceptions were very numerous—the chief being those relating to necessary transportation of all kinds; domestic work, care of the sick, of perishable products, and of animals, operation of electric light, furnaces, and other essential public services. Where an employee had to work at his ordinary calling on Sunday he (or she) was to be entitled to 24 hours' consecutive rest during the week. Public games, excursions, and performances for hire, were forbidden as was the sale or distribution within Canada of any foreign newspaper or publication and the publication within Canada of any Sunday paper. Penalties were prescribed running from $1.00 up to $40.00. Everything, however, was subject to Provincial laws and the Senate inserted an amendment making prosecution under the Act dependent upon the Attorney-General of the Province in which the offence was committed. Taking this latter condition into account together with the volume of exceptions it was, perhaps, natural for a Conservative to humorously label the measure "an Act to legalize practices heretofore prohibited on the Lord's Day," and for another critic to describe it as "an Act for the benefit of the legal profes-

sion." The Rev. Mr. Shearer, in an open letter to the press, summarized the measure as follows:

> Already very different estimates have appeared in the public press. Some have said the Act is dead, others that it is useless, on the one hand ; and on the other, there are those who consider it the best Lord's Day Act on the statute books of any country ; others that it is in many particulars over-stringent. The truth lies between the two extremes. We have not secured all we sought. The Act has been weakened in certain particulars, but on the whole it is a good Act. It is an immense gain over what we had before. It covers the points that were left uncovered in our old Provincial Acts, which still remain in force. It is much more sweeping than, perhaps, many people recognize.

An important subject in an academic way was discussed in the House and in the Senate during the Session—the question of abolition or reform of the Upper Chamber. The general debate was precipitated by Mr. G. H. McIntyre's motion in the Commons on April 30, declaring that " the constitution of the Senate should be brought into greater accord with the spirit of representative and popular government, and the genius of the Canadian people, by amendments which in future appointments will (1) abolish the life tenure of office by Senators; (2) limit the tenure for one appointment to within the legal term of three Parliaments; (3) provide a fixed age, not exceeding eighty, for compulsory retirement." After a long and carefully prepared speech by the mover, and support from Mr. M. S. Schell, the subject was dealt with by the Prime Minister whose views have been already quoted. Mr. R. L. Borden thought the institution as it existed was a matter of public advantage but deprecated many of the appointments made and urged more consideration for the Upper House in the matter of important legislation sent up at the end of a Session. The motion was then withdrawn. It may be said, in passing, that when the Liberals came into power in 1896 there were only 9 Liberals in the Upper Chamber against 72 Conservatives; in 1906 there were 46 Liberals and 32 Conservatives with 9 vacancies which would, presumably, be filled from the party in office.

The matter came up for discussion in the Senate upon a motion by Hon. L. O. David on May 16 asking for any petitions or other documents which the Government might have relating to the abolition or re-organization of the Senate. In his speech he vigorously defended the Upper House as to its functions, work and constitution and pointed to 155 measures as having been initiated in the Senate from 1900 to 1905 and 180 House of Commons Bills as having been amended in that period. During the extended debate which followed Hon. D. Ferguson took the Conservative ground of defending the Senate for defeating the Yukon Railway Bill in 1898 and the Redistribution measures of 1899 and 1900; and proposed a reform of the House by the appointment of 72 members from time to time upon the recom-

mendation of the Leaders of the two parties, in accordance with their strength in the House of Commons, with fifteen members to be selected by the Universities of the country. Sir Richard Cartwright (June 5) went elaborately into the subject and favoured the appointment of one-third of the members from amongst Cabinet Ministers, Lieut.-Governors, Premiers of Provinces, Judges and members of the Commons of at least 12 years' experience, and the election of the balance by the Provinces. Senators W. C. Edwards and Josiah Wood defended the existing system; Senator W. D. Perley would have the Governor-General make the appointments without the advice of his Government, or else have vacancies filled by a joint-Committee appointed by the Government and the Opposition and the Chief Justice of Canada; Senator P. Poirier proposed election by the Provincial Legislatures; Senator L. G. Power would elect the Senate from national districts much as was the Legislative Council in the old days before Confederation in the two United Provinces. Senator J. V. Ellis thought there might be three groups of members—one elected by the Commons, one by the Commons and Senate combined, one by the Provincial Legislatures and Municipal Councils. No one advocated abolition.

The most spectacular incident of the Session occurred in the Commons on June 6th when the Hon. George E. Foster, ex-Minister of Finance, presented a motion ordering Mr. J. E. E. Cinq-Mars, the Ottawa correspondent of *La Presse*, "to attend at the Bar of the House" in connection with an article from his pen on May 26 attacking Mr. Foster in decidedly abusive and unbridled language. It was not the personalities, however, which Mr. Foster said he desired to bring before Parliament; it was the charge that he was daily "pouring out floods of gratuitous slander" upon the French-Canadians. The following is an extract from the article in this connection: "Our compatriots are represented as fools steeped in ignorance; our clergy as a collection of fanatics and hypocrites. And it is Mr. Foster, a politician of ill-fame, who sings this refrain in the House of Commons. He has but one principle, that of self-interest. He has only one desire, the desire to insult. He belongs to the school of lying, hypocrisy and cowardice. In his eyes the person to whom civic and political virtues are not vain words is an imbecile and a hot-head." Sir Wilfrid Laurier assented to the motion but pointed out that he also had to suffer from racial and religious attacks and quoted at length from *L'Evenement* of Quebec (March 1, 1906) to prove his statement. Mr. Borden read telegrams in the recent Quebec mayoralty election indicating the Premier's control over *Le Soleil* and this control Sir Wilfrid emphatically denied. Mr. Fielding declared that in these respects "nothing more rascally in journalism" could be shown than the statements in Tory journals as to the Autonomy Bills. The discussion then drifted into channels of charge and counter-charge and criticism and defence of the Orange Order.

On June 14th Mr. Cinq-Mars was brought before the Bar of the House and asked certain questions. Upon motion of Hon. Mr. Aylesworth, and by a vote of 83 to 47, the House decided not to limit the young journalist, in his defence, to the debates of the past Session or even to Parliamentary speeches. Mr. Cinq-Mars then read a statement claiming justification for his article, which, he declared, was not a report of proceedings but an expression of editorial opinion. Various quotations from various speeches were given which he considered to bear upon the point. After some discussion the Prime Minister reviewed the case briefly and declared that: "While I recognize in the fullest possible way the right of the press to criticise, while I recognize that the press should have the most ample liberty in criticising, advocating, censuring, expressing its opinions in every possible way, at the same time I think we must maintain the doctrine that the press, like everybody else, is amenable to the jurisdiction of this Parliament." There was, he thought, much of truth in the article as a whole but in the particular passage complained of "the bounds of reasonable criticism" had been passed and it constituted a breach of the privileges of the House. "The press must understand that, while it is possible, and not only possible but fair and within their rights, to criticise the acts of any public man they must do it in language that is fair and not in language of mere vituperation." Mr. Cinq-Mars was discharged after the following Resolution, moved by the Premier and passed unanimously, had been communicated to him by the Speaker: "That the passages in *La Presse* newspaper, complained of, pass the bounds of reasonable criticism and constitute a breach of the privileges of this House; that Mr. Cinq-Mars, the writer of the article, has incurred the censure of the House; that he be recalled to the Bar, and that Mr. Speaker do communicate this resolution to him." There were under-currents of opposition in his own party to the course taken by Sir W. Laurier in this matter but much appreciation was expressed in circles not purely political of the action as one tending to the dignity of Parliament and of politics. The adjournment of Parliament took place on July 13th. The following were the chief debates, or subjects discussed, during the Session:

DEBATES IN THE SENATE OF CANADA

Address, Debate upon ..... March 12, 13, 14, 15, 16, 20.
Fording Valley Railway Bill ..... June 7.
Grand River and Western Power Company Bill ..... June 26.
Immigration Bill ..... June 29.
Judges and extra-Judicial Employment ..... June 12.
King, Invitation to His Majesty the ..... April 26.
Leprosy Bill ..... May 14, June 12.
Lord's Day Bill ..... July 9, 10, 11.
Mackenzie River Resources ..... May 15.

Manitoba Grain Act, Amendment ..... June 28.
Ministerial Changes ..... March 27, June 5.
North Atlantic Trading Company ..... June 13, 27.
Pacific and Atlantic Railway ..... July 4.
Pacific and Eastern Railway Company ..... June 15.
Packing House Inspection ..... June 7.
Penitentiaries Bill ..... June 25.
Pensions to ex-Ministers Bill, Repeal of ..... July 11, 12.
Prince Edward Island, Winter Communication with ..... May 3.
Senate, Constitution of ..... May 16, 17, June 5, 6, 14, 18, 20, 26, 27, July 3, 4, 5.
Supreme and Exchequer Courts Act ..... March 21, 22.
Supreme Court (New Brunswick) Bill ..... July 7.
Vancouver Western and Yukon Railway ..... May 16, 31.
Victoria, Vancouver and Eastern Railway ..... June 6.
Yukon, Placer Mining in ..... June 21.

DEBATES IN THE HOUSE OF COMMONS

Address, Debate on ..... March 12.
Agricultural Conditions ..... July 7.
Agricultural Duties, American and Canadian ..... June 12.
Archives Department ..... July 7.
Arctic, Government Supplies for ..... May 11, June 28.
Aylesworth, Hon. A. B., and the Practice of Law ..... May 7.
Aylesworth, Newspaper Reports and Mr. ..... July 7.
Bell Telephone Company Legislation ..... May 28, June 25, 27.
Bounty on Canadian Ore Products ..... May 21.
Brothier Case and the Administration of Justice ..... June 13, 14.
Budget Speech, Debate upon ..... May 22.
Canadian Evidence Act, Amendment ..... April 20.
Canadian-Minnesota Bridge Company ..... May 2.
Cannington Postmaster, Dismissal of ..... May 2.
Cinq-Mars Incident, Hon. George E. Foster ..... May 29, June 6, 7, 12, 14.
Coasting Trade ..... March 26.
Cold Storage Stations ..... May 1.
Committees, Select Standing ..... March 14.
Corruption in Elections ..... March 15.
Crown Lands, Administration of ..... May 30, 31, June 1, 5.
Criminal Code Amendment (R. L. Borden) ..... March 21.
Dominion Lands, Administration ..... May 10, 11.
Electric Power and Gas Exportation ..... May 10.
Experimental Farms ..... July 7.
Fenian Raid Veterans ..... March 26.
Fiscal Year, Change of ..... June 12.
Fisheries, Americans in Canadian ..... May 18.
Flag on Parliament Buildings ..... July 5.
Forest Reserves ..... May 8.
Fruit Inspection ..... April 9.
Fruit Marks Act Amendment ..... April 9, 27, May 3.
Geological Survey, Director of ..... March 20.
Georgian Bay Islands, Sale of ..... April 5.
German Surtax ..... March 19.
Gold and Silver Mark Act ..... July 10.
Grain Inspection Act, Amendment ..... June 22.
Grand River and Western Power Company ..... July 4, 6.
Grand Trunk Pacific Branch Lines ..... June 18, 20, 22, 25, 29.
Grand Trunk Pacific Company ..... April 30.
Grand Trunk Pacific Telegraph Company ..... May 7, June 4, 6, 11.
Hay Trade, Proposed Regulations for ..... May 28.

Hog Plague in Kent County .....March 26.
Hudson's Bay Land Claims .....May 21.
Immigration .....March 14.
Immigration Act Amendment .....June 13, 15, 19.
Immigration from United States .....May 9.
Immigration, Official Encouragement of .....June 18, 22.
Imperial Institute Exhibit .....March 27, June 15.
Indian Act (Amendment) .....April 25, June 15.
Indians, Administration of .....March 27.
Industrial and Co-Operative Societies .....April 23.
Intercolonial Railway .....March 13, 16, June 12, 21, July 9.
Interior, Department of .....June 21.
Judges of Provincial Courts .....June 15.
Judges of Provincial Courts and Directorates .....March 29.
Jews, Massacre in Russia of .....March 15.
Keewatin, District of .....June 8.
King, Invitation to His Majesty the .....April 18.
Life Insurance, Royal Commission on .....March 16, May 22, 28.
Lighthouse on Magnetawan River .....July 3.
Lord's Day Observance Act .....April 5, June 20, 21. 27, 29, July 3, 6, 11.
Manitoba Court of Appeal .....June 11.
Maple Syrup Adulteration .....April 9.
Marine and Fisheries, Department of .....May 29, June 6, 7, 8.
Masters and Mates Certificates .....March 22.
Members of Parliament, Appointments of .....June 29.
Merchant Marine, Decline of .....April 5.
Militia and Defence, Department of .....July 5.
Militia Pension Act Amendment .....June 13, 19.
Ministerial Changes .....March 16, June 4.
Ministers or Deputies practising in Law Courts .....May 7.
Moberly and the Saskatchewan Election Case .....July 3, 4.
Money-Lenders' Act Amendment .....April 6, July 3.
Montreal Harbour Commission .....April 18, 27, July 3.
National Transcontinental Railway .....April 18, June 12, July 3.
North Atlantic Trading Company .....March 29, April 17, 20, 24, 26, May 1, 2, 4, June 4.
North-West Land Patents .....May 9.
Norwegian Shipping, Competition from .....May 29.
Pacific and Atlantic Railway Bill .....June 25, 27, 30.
Parliamentary Indemnities and Pensions .....March 29, April 20, May 2, 9.
Patents of Toledo Glass Company .....May 18, 21.
Penitentiary Act Amendment .....June 15.
Pensions to ex-Ministers .....June 5, 29, July 10, 11.
Port Arthur Harbour Ice, Clearing of .....May 22, 29.
Post Office Department .....March 23.
Postal Rates upon United States Publications .....June 20.
Preston, W. T. R. .....July 3.
Prince Edward Island, Steam Communication with .....May 23.
Provinces, Representation of .....April 4.
Public Works Department .....June 30, July 4.
Public Works Department and Collapse of Ottawa Tower.....April 6.
Public Works, Unauthorized Expenditures upon .....May 16.
Quebec Bridge .....March 15.
Quebec Harbour Commission .....May 23, June 7.
Railway Act, 1903, Amendment (Emmerson, Hon. H. R.) ..... March 28, April 9, May 3, 29, June 25, 26, July 5, 11.
Railway Act Amendment (E. A. Lancaster) .....March 22, 29.
Railway Act Amendment (W. F. Maclean) .....March 28.

Railway Land Grants .....March 30, April 3, June 12.
Railway Subsidies ..... June 25, 26, July 3.
Rocky Mountain Park Act.....June 6.
Ross Rifle Committee .....May 16.
School Lands, Exchange of .....May 23, June 13.
Senate and House of Commons Act Amendment .....July 5.
Senate Reform .....April 30.
Shipping Interests of British Columbia .....April 10.
Ships, Safety of .....May 28, July 3.
Steamship Line Contracts .....July 9.
Supreme Court of New Brunswick .....July 3, 5, 6.
Supreme and Exchequer Courts Act .....May 17.
Tariffs of Germany and Canada .....April 23.
Thames, Flooding of .....March 28.
Toronto, Niagara and Western Railway .....June 1.
Transportation .....April 25, May 15.
Trent Canal Lift-Lock .....May 14.
Wagner, Charges against P. .....June 19.
Water-Powers .....March 26.
Weights and Measures Act Amendment .....May 9.
Yukon Concessions and Hon. N. A. Belcourt .....April 10.
Yukon, Conditions in .....April 5, May 16, June 12, 22, 29, July 9.
Yukon Council .....May 8.

The second Session of the year and the third of this Parliament was opened by His Excellency, the Governor-General, on Nov. 22nd with a Speech from the Throne which referred to the "unparalleled prosperity" of the country, the abundant harvest, increasing immigration, and growing trade; mentioned His Excellency's visit to the Western Provinces and the spirit of hope and confidence which he found to everywhere prevail; referred to the success of Canada's exhibit at the Milan International Exhibition, to the transfer of the Halifax dockyard from the Imperial authorities, to the necessity of Parliamentary sanction for the recent Treaty with Japan; stated that the Imperial Government would add a clause to its Merchant Shipping Bill providing punishment for false representations in regard to emigration; and promised legislation as to the Election laws, the supervision of canned food products and the sale and manufacture of patent medicines. The Address was moved by Messrs. F. F. Pardee and Joseph Demers and passed after a discussion in which the most notable feature was Mr. Bourassa's speech on the 27th. In it he defended his position as being the pure and original and only Liberalism, declared the Government and not himself to have departed from the party principles and attacked the Minister of Justice (Mr. Aylesworth) for a speech in the North Bruce bye-election when he had accused the speaker of "lighting the fires of sectarian hatred."

Mr. Hyman's Position and The London Election Case

The constituency of London, Ont., has for many years been an uncertain political quantity although out of the 16 elections since 1867 it went Conservative ten times. Coupled with this uncertainty and the keen contests resulting was a certain amount of corruption on both sides. In the general elections of 1904 Mr.

Charles S. Hyman, a popular political personality, only carried the seat by 24 majority against Mr. W. Gray but in 1905, with the prestige of appointment as Minister of Public Works, he won by 330 against the same candidate. The rumours of special and unusual corruption in these last two contests were many and deep. In London the men believed to be guilty of the purchase of votes were well known and the purchasable characters themselves, from long experience, seem to have been pretty well known to both parties. For various reasons the issue never came to trial although the Conservative paper on the morning after the 1905 election declared that it had cost the Government $50,000 to carry the seat. The matter was brought to a head in September, 1906, by an hotel-keeper named Collins formulating specific charges of bribery against John O'Gorman, a Liberal party worker. The Attorney-General of Ontario had O'Gorman arrested and he was brought before the Toronto Police Magistrate on Sept. 28th.

The evidence indicated a conspiracy to purchase votes upon a somewhat wholesale scale at figures running from $5.00 to $10.00 each. A number of prominent local Liberals were brought into the charges and on the following day warrants were issued for the arrest of George M. Reid, E. I. Sifton, D. Wiley, W. J. Mulloy, W. Serviss, Joseph Hardy and George Ardy. The information was that these men with O'Gorman and W. C. Evans of Toronto conspired in the elections of 1904 and 1905, by sundry methods of bribery and corrupt practice, to carry the seat for Mr. Hyman. Collins swore that he received and distributed large sums of money to this end and was promised a Government position which he never received; that he understood Mulloy, who brought him some of the money, to come from Mr. G. M. Reid and that Mulloy instructed him as to folding ballots so that the deputy returning officer would know how a man voted after he had been bribed; that O'Gorman gave him other moneys in the Liberal Committee rooms where he had his headquarters during the election. On Oct. 1 seven men swore that they promised to vote for Hyman and had received $10.00 in return—paid in different ways and by different persons. So with six more on the following day.

As the inquiry progressed it became clear that these elections had been "worked" by a part of the crowd of heelers whom the Conservatives had been denouncing so long in connection with the Provincial elections. On the 3rd four more witnesses testified to receiving bribes and the notorious "Tom" Lewis was examined with a result which made Mr. Magistrate Denison tell him he was "committing perjury every minute." Then came the examination of J. G. Pritchett, the Toronto contractor who had been mixed up in so many election cases during the much-discussed days of the Provincial Liberal "machine" and notably in the West Elgin affair. He swore on Oct. 10 that the head-

quarters of the election manipulators had been Toronto; that John O'Gorman was paymaster and that most of the money handled was "Dominion money"; that the workers usually invaded a constituency ten days before election day and used their time in selecting deputy returning officers who could be "trusted" and in distributing money to voters; that he made returns of money spent to the Liberal Organizer and that the amount paid to a deputy returning officer was $5.00 for every ballot "switched"; that he, personally, looked after the spoiling or changing of ballots and Lewis after the bribery; and that West Elgin, South Ontario, North Hastings and West Huron were amongst the constituencies they had treated; that he had imported this "switching" business from the United States.

On the 15th another long list of similar witnesses was examined and on the following day Lewis was ordered into custody for perjury. Later in the trial a man named O'Meara was arrested for the same offence. On the 22nd evidence was taken from several Ottawa Liberals who had contributed to a London campaign fund. Mr. George C. Gibbons, K.C., a leading London Liberal, was examined on the 31st and admitted frankly that elections in London had been corruptly carried on. He declared that in the first Hyman campaign he and the others in charge had done all in their power to ensure clean elections. No party in the world had ever tried harder. The best men that could be got were appointed in charge of the polls. Hyman was elected, despite the grossest corruption on the other side, but was unseated. Not a dollar was then shown to have been spent for him in bribery. Since then he understood that the element which wanted to "fight fire with fire" had obtained control although, personally, he would have nothing to do with it. There were many other unpleasant revelations. A man named Spence admitted allowing Sifton to open the ballot-box in his charge and go through the ballots; J. C. Duffield stated that he had paid $400 out of his own pocket to secure the influence of a Conservative worker; the Toronto *News* of Nov. 9th published a list of 90 men who had confessed in Court during the trial to receiving bribes in a total sum of $2,366. On Nov. 26th the Police Court case ended and Colonel Denison committed G. M. Reid, Daniel Wiley, W. J. Mulloy and John O'Gorman for trial on a charge of conspiring to corrupt the electorate.

Meanwhile, the case had not proceeded to this point without legal protests. The Attorney-General was represented by E. E. A. DuVernet and Eric Armour; the defendants by T. C. Robinette, K.C., George Wilkie and J. M. Godfrey. Mr. Robinette at different times disputed the jurisdiction of the Police Magistrate, endeavoured to get the case transferred to London, denounced the investigation as a political one, endeavoured to at least limit the inquiry to London and its local affairs, and more than once hinted

at partisan considerations as being at work. In a press interview on Oct. 1st Mr. Premier Whitney stated upon this point that as soon as the charges were reported to the Attorney-General the prosecution was proceeded with. "They will be investigated fully, searchingly and honestly, let the chips fall where they will." Mr. DuVernet on Oct. 3 took the same line. "We have not had a tenth brought to light yet. We all know that there has been crookedness on both sides, and I am working to stamp it out. I'll prosecute anybody, anywhere. I insisted upon having a free hand before I took this prosecution up. Premier Whitney assured me that he would back me up in prosecuting anyone. We must have political cleanness. There is so much of this corruption that elections are a farce." *The Globe* deprecated partisanship in the matter but demanded a thorough sifting of the story and the "full limit of punishment to the criminals involved." It was, however, pointed out that much evidence was given by men of notoriously bad character and could not be considered reliable. On Oct. 12th the Liberal organ described the revelations as disgraceful and gave the following picture of local conditions:

> Since the days of the Carling-Walker campaigns political partisanship in London has been a species of mania with not a few otherwise respectable and responsible citizens, and the lengths to which they were prepared to go for the sake of winning or holding the seat was perhaps without parallel in any other constituency in the Province. After almost every election the defeated party might have had the member-elect unseated, but there seems to have been an understanding that neither party would be over-squeamish as to methods or morals and that protests would not be pushed too seriously. The result was that among outsiders who knew the situation London elections were in a class by themselves and the act of crookedness was accepted. That an uncovering of the whole disgusting situation would come some day was inevitable.

Meanwhile what of Mr. Hyman? The Conservative press was demanding his resignation; semi-independent papers like the Toronto *News* were doing the same thing; for the moment there was nothing to be said by the Liberal press except to condemn the actual corruption, denounce the other side as equally bad and point to Mr. Hyman's public services. Mr. Hyman, himself, was in London on Oct. 1 and told an interviewer that he would be guided by developments and precedents. He would make no comment on the situation further than the declaration that he knew "nothing about such wrong-doing as is alleged." On Nov. 20th the London *Advertiser* announced that "the friends of Hon. Charles S. Hyman, M.P., Minister of Public Works, will regret to learn that the condition of his health is such that his physicians have ordered him to take a complete rest for a period. Mr. Hyman is suffering from prolonged overwork. During the past summer he has been incessantly travelling over the country to personally inspect public works. His friends warned him that he

was overtaxing his strength, but he continued to work at high pressure until he collapsed." The Minister went South and there he remained till after the close of the year.

In Parliament, on Nov. 22nd, the Speaker stated that he had received a communication from Mr. Hyman resigning his seat for London but that it was not quite correct in form. The Premier on the 23rd informed the House that he had received Mr. Hyman's resignation of his Portfolio but had not accepted it or presented it to the Governor-General. The subject was very largely discussed in the ensuing debate on the Address and the Government was the target of severe Opposition attack. In the North Bruce election Hon. Mr. Aylesworth asked in several speeches why this matter had been delayed a year; why if the corruption were known to the Conservatives they had not taken the proper steps to unseat Mr. Hyman? Was it that they feared a counter petition and the disclosure of similar corruption, or greater, upon their own side? Speaking in the House on Dec. 11th Sir Wilfrid Laurier stated that he had written asking Mr. Hyman to withdraw his resignation so far as the Ministry was concerned but that he had been in such poor health that the letter could not yet be given him. The year ended in this connection with the passage on Dec. 14th of an unanimous Resolution by the South London Liberal Club expressing its sympathy with Mr. Hyman and its " unabated confidence in his integrity and uprightness as a public man."

The Alleged Scandals of the Session

The Opposition charges as to mal-administration constitute a subject which must be referred to here and which, at the best, would be exceedingly difficult to treat adequately and properly. To the partisan on either side no impartial study of the situation would be agreeable; to do both sides of each case full justice a volume would be necessary. In 1905 there had been three or four charges against the Government as to matters of administration; in 1906 there were over thirty such allegations. The chief Opposition attacks were made against the Interior Department and that of Marine and Fisheries in connection with the late Mr. Prefontaine's period of control. Many of the matters were unimportant in detail though not, perhaps, in principle; others were personal in character and turned upon members taking advantage of their position to improperly obtain public lands or to in other ways take undue advantage of politically friendly Departments; some were concerned with election cases and the Government employment of men who were said to have participated in corrupt practices; others dealt with contracts for supplies in which middlemen were claimed to have greatly benefited through over-charges allowed. Parliamentary Committees were also alleged to have burked investigation in certain directions in which the majority thought further inquiry unsafe to party interests. For details, the debates in *Hansard* or the Report of the Public Accounts and Agricultural Committees for 1906, must be consulted.

Out of the varied charges and conflicts in the House and in Committees three cases appeared most conspicuously before the public eye—the Saskatchewan Valley Land affair, the North Atlantic Trading Company case, and the supplies for the *Arctic* incident. In the Western land matter it was alleged by the Opposition that 250,000 acres of choice land, out of the area set aside for free homesteads, had been sold by the Department of the Interior to members of the House and their friends for $1.00 an acre, with five years' credit, and that these lands could afterwards have been sold to settlers at $8.00 an acre or a total profit of $1,750,000. Mr. Borden spoke upon this subject at length on May 30 and made a sweeping arraignment of the Government; at the same time moving for a Select Committee of the House to inquire into the management, alienation and disposal of Dominion lands. There were various speeches in reply but the ablest was that of Mr. Sifton, who had been Minister of the Interior when these matters were said to have occurred. "The contract," he said, "was with the Saskatchewan Valley Land Company, composed of four Americans and two Canadians, who were required to place in each township 20 settlers on free homesteads and 12 on other sections before they were entitled to receive the balance of even-number sections. Having obtained 250,000 acres from the Government, the Company also purchased 450,000 acres of land from the Qu'Appelle, Long Lake and Saskatchewan Railway Company, which was afterwards increased considerably, so that they were able to go into the business on a large scale."

At the time the arrangement was made the region was an absolute desert. "All around the district there were at that time millions of acres available for homestead entries, and other millions of railway lands for sale at regular prices. The Government not only secured settlers for the land that would otherwise have been given as free homesteads at a much lower rate of settlement, but had placed in the Dominion Treasury $250,000 which would not have otherwise been received. Prosperity and settlement had since followed in the wake of this policy." Mr. Borden's motion was defeated (June 5) on a party division of 99 to 52. Mr. Premier Scott of Saskatchewan in an interview on June 25 put this point as follows: "The reproach is removed. Desolation exists no longer. Thriving settlements all along the road. A dozen busy towns, where in 1902, after the Railway had been operating a dozen years, there was nobody. Our Conservative friends say that this change spells scandal. Well, speaking for Saskatchewan, I say let us have more scandal and less statesmanship."

In the North Atlantic Trading Company affair it was charged that the Department of the Interior had made a loose immigration arrangement, and finally a contract, with a concern under the above name which practically gave the principals in the Company $5.00 per head, or $300,000 in all, for immigrants from certain

European countries whom they were said to have done nothing to procure. The matter was complicated by the alleged connection of Mr. W. T. R. Preston, Commissioner of Immigration in London, with the Company, by his interjection into the Public Accounts Committee at Ottawa of various personal differences in the London office; by the allegation that the Company was a thing of straw and the beneficiaries other than appeared on the surface; by Mr. Preston's refusal to tell the names of those interested, and by his connection with Leopold's Agency for the emigration of artisans to Canada; by the fact that a contract between the Company and the Department was not actually signed until 1904, and that Mr. Oliver, the new Minister of the Interior, had promptly cancelled it. There were stormy scenes in Committee at Ottawa and the frequent allegation that investigation was being burked by a party majority.

On May 1st a motion of censure upon the Government in this connection, moved in the House by Hon. George E. Foster, was debated at length. Sir Wilfrid Laurier denied that the contract had been concealed from Parliament; stated that it was announced in a Departmental report and that there was an appropriation with payments approved by the Auditor-General; pointed out that $1,000,000 for 200,000 immigrants, as the contract called for, would be a cheap payment—the economic value of one immigrant being $1,000; declared that if the Opposition would accuse any one directly of being improper beneficiaries under the contract "no mercy shall be shown the offenders"; stated that cancellation had been made because a part of the arrangement had not been carried out by the Company. The Foster motion was defeated by 115 to 61 after a vigorous speech from Mr. Borden. Messrs. Bourassa and Verville voted with the Opposition. Lord Strathcona's alleged connection with the origin and record of the Company was brought before the Public Accounts Committee by Mr. Preston as a proof of the usefulness and standing of the concern. In a letter to the Prime Minister, dated April 28th, the following statement was made by the High Commissioner:

> I may state, in the first instance, that somewhat similar proposals to those on which the agreement or understanding ultimately entered into was based, had been informally made, but not entertained, before they were again put forward by the then Inspector of Emigration Agencies early in 1899. It is only proper to add that the suggestions never commended themselves to my better judgment; but it was urged upon me so strongly that a trial might be given to the scheme, and it was received with so much favour by the Department of the Interior, that I did not feel justified, in the circumstances, in with-holding such assistance as I could properly give to carry into effect the declared policy of the Department. The draft of the proposed agreement was arranged and in effect settled by Mr. Smart, the Deputy Minister of the Interior, who came to England for the purpose of investigating and dealing with the matter personally. At my suggestion, and in view of the fears I entertained as to the possible consequences that might arise from the conclusion of agreements of the nature of those proposed, the

matter was then submitted to our legal advisers and to counsel, with the result that an opinion was given adverse to the suggested agreement on the ground that it might cause diplomatic complications. . . . I had no connection at all with the negotiations which followed the first interchange of letters; the Department of the Interior having placed itself in direct communication with the Company.

A cable to Sir Wilfrid Laurier on June 16th, was emphatic in the same connection: "Statements (Preston) about my knowledge and approval of agreement proposed in 1899 and as altered subsequently, inaccurate and misleading. Made no suggestions influencing negotiations and never heartily approved principle." The matter was further complicated and confused by the personal differences between Mr. Preston and A. F. Jury, W. L. Griffith and C. F. Just—officials in the London Office—and on May 15th the press published a mass of correspondence in that connection. Mr. Preston in his evidence before the Committee (May 18) absolutely denied any connection with the Company. On June 4th Sir Wilfrid Laurier offered to confidentially submit the names of the shareholders in the N. A. T. Company to Mr. Borden or to a Committee of the House in connection with Mr. F. D. Monk's motion that Preston be compelled to make them public. This was refused on the ground that secrecy was not now necessary. The Premier's amendment that the Minister of the Interior's original pledge in that respect must be maintained was carried by 95 to 47—Messrs. Bourassa, Verville and Lavergne voting with the Opposition. On July 3 Mr. Monk (Conservative) moved that W. T. R. Preston be no longer continued in office as Commissioner of Emigration. Hon. Mr. Oliver declared that the Opposition had absolutely failed to prove Mr. Preston's connection with the Company and refused to accept the motion. It was defeated by 89 to 39 votes. A few weeks later the Commissioner was transferred to the Commercial Agency staff and sent to Hong Kong *via* South Africa.

The conduct of the Marine Department in 1905 in fitting out the steamer *Arctic,* for an expedition to Hudson's Bay and other northern regions, was largely discussed in press and Parliament. The Hon. Mr. Brodeur, the new Minister in charge, stated on May 15 that the fitting out was based on the experience of British, German and United States ships, sent on similar service. The British ship *Discovery,* going on a three years' voyage with fifty men, took on board $555,000 worth of provisions, including 10,000 bottles of wine, whiskey, etc., and 800 gallons of rum. The *Arctic,* with 48 men, was equipped for a three years' voyage for $148,000 and had on board only 100 gallons of rum and a small quantity of other liquors, considered necessary in view of the character of the work that was expected to be done. The *Arctic* stayed in the north only one year, Captain Bernier considering that the condition of the ship did not warrant him in remaining longer. It was claimed in reply and in criticism that

the supplies had been bought without tender; that there were enough of some of them for a 30 years' cruise; that $2,060 was spent for liquors, $4,180 for smoking equipment and $10,000 for $2,800 worth of pemmican. The Opposition made much of such items as 4,000 Laurier cigars at $200; 29 dozen pipes at from $3.40 to $4.75; ten cases of champagne at $320; 5 cases of port wine and of cognac at $65 and $60 respectively; 17 dozen packs of playing-cards.

Sir Wilfrid Laurier promised an inquiry into the matter and on the 18th a Committee was moved and approved after the House had voted down (87 to 45) Mr. Borden's amendment that the Inquiry should be a general one into the conduct and contracts of the Department of Marine since 1902. The Committee was composed of A. K. Maclean, F. B. Carvell, L. P. Demers, F. F. Pardee, G. E. McCraney, R. G. Macpherson, W. H. Bennett, J. G. H. Bergeron, W. B. Northrup and A. A. Stockton—the last four being Conservatives. Some of the sessions of the Committee were stormy and it was charged that inquiry in certain directions was systematically blocked. On June 26th the Committee adopted a majority Report declaring tobacco to be the only item over-charged and "that no officers, agents or servants of the Department of Marine and Fisheries unjustly, unlawfully, or corruptly profited in connection with the purchase or disposition of any of the stores, merchandise, supplies and provisions purchased and placed on board the said steamer *Arctic.*" A minority report, signed by the Conservative members, declared that no tenders had been asked for or limitation placed upon prices in ordering this $125,000 worth of supplies; that the requisitions were wantonly extravagant and beyond the requirements of the expedition, or the capacity of the *Arctic;* that no proper Departmental supervision had been exercised over the purchases or the final disposition of the unused supplies; that the majority of the Committee had blocked the investigation at various points. The House accepted the majority Report by a vote of 93 to 38 after an angry scene in which Hon. Mr. Brodeur denounced the Opposition as trying to make party capital out of a dead Minister's work which they had not dared to so criticize when he was in charge of his Department. Mr. Borden resented the statement as hotly as it had been made.

Mr. R. L. Borden and Opposition Policy

The Conservative Leader took part in many functions and performed varied duties during the year. On Jan. 4th he addressed the Disraeli Club of Montreal and paid equally high tribute to the statesman and to the race. "The name of Benjamin Disraeli is not only great among the statesmen of the Empire, but it stands at the very top of the statesmen of the world. He came of a race which in many respects has no equal in the world's history—a race which has been thoroughly tenacious of its traditions, its religion and its characteristics as a people; a race which

in statesmanship, science, art, finance and in the professions had taken a foremost place in every country in the world." On Jan. 16th he was opening a new Model School at Athens, Ont., and dealing in the evening with the subject of Education—basing his treatment upon President Roosevelt's dictum that "education alone cannot save the nation but the nation cannot be saved without Education." At Gananoque, on the following day, he dealt with a similar theme. "As the pen is mightier than the sword so are brains mightier than the muscles." On the 20th he was the guest at a Montreal Conservative Club dinner and urged party organization. Many seats, he declared, had been lost in Quebec in 1904 for lack of preparedness and it was defective lists that lost them Nova Scotia. Messrs. F. D. Monk and J. G. H. Bergeron also spoke.

In opening the Bronson Ave. School, Ottawa, on Feb. 2nd Mr. Borden brought out some important points: "It is a very essential thing that scholars in the Public Schools should be taught to spell, to write a good hand and to add up a column of figures correctly. Every child of this country should be taught to love, honour and appreciate the great country to which he belongs. They should also be taught that they are subjects of the great British Empire, whose flag, I hope, will float over Canada for all time to come." To the Conservative Club at Ottawa on Feb. 7th he gave the motto of "good organization and clean elections"—and dealt at length with cases of alleged Liberal corruption in various constituencies. On Feb. 12 Mr. Borden addressed the students of Toronto University upon the growth, development and tendencies of the British and Canadian systems of government. The transference of power from the Crown to Parliament, the change into the party system, the growing influence of the Cabinet, the evolution of the Caucus, the abuses of patronage and the conduct of elections were all dealt with. As to the future he was clear. Civil service reform by means of competitive examinations was essential and reform in the electoral methods of the country along lines of greater political purity was equally so. As to Empire relations he was explicit: "The Crown personifies and embodies the dignity and power of the whole Empire; the British Parliament does not. If the great self-governing groups are to remain, as I am sure they will remain, part of the Empire, some closer mode of co-operation or some closer co-ordination of governing powers must be developed. It will not be developed very hurriedly or upon any theory made to order." He was the guest of the National Electoral Reform Association of New York on Mch. 6th and spoke at length upon the question as it touched Canadian affairs and treated in detail the local Canadian conditions as to election laws and their enforcement. His general view was as follows:

Upon certain public questions there must necessarily be legitimate differences of opinion. The management of public utilities in the public

interest, the regulation of corporations controlling the great national highways of commerce, the exploitation and conservation of vast natural resources, the regulation of the tariff; in respect of all these great questions of policy arise. But there are three essentials of good government upon which all parties should unite. Honest appropriation and expenditure of public funds in the public interest; the appointment of public officials upon considerations of efficiency and personal character, and not of party service; elections untainted by the corrupting influences of bribery and fraud; these essentials are not to be denied; they have a moral significance and they involve the future of democracy. Upon these all parties should unite. Institutions cannot be enduring which develop a debased public service, or which bring into existence Legislatures representing, not the will of the people, but the degradation of electoral corruption.

An interesting Senatorial incident occurred early in March when Senator William Miller, a veteran but somewhat erratic Conservative, wrote to Mr. Borden protesting against the Pension and Salary Bills of 1905 and asserting that he could no longer support him as the party leader. In the Senate, on the 13th, Mr. Miller attacked the Hon. G. E. Foster and gave his position in the party and Mr. Borden's acceptance of the Indemnities legislation as his reasons for no longer supporting the latter. In the Commons on Mch. 15th the Opposition Leader asked by Resolution for a Select Committee "to inquire into the Acts relating to elections to this House and the prevention of corrupt practices thereat, and the procedure and practice upon petitions relating to such elections, and to report to this House if any changes are desirable therein." After a speech indicating conditions in Canada and the necessity for action the House listened to the Minister of Justice thank Mr. Borden for his clear and concise digest of the law; declare a free vote, a pure vote, an honest ballot, to be the basis of free institutions, and state that he had been instructed by the Prime Minister to prepare a measure dealing with the subject and that for this purpose he would need such a Committee as Mr. Borden proposed. Mr. Borden addressed the Ottawa Y.M.C.A., on April 23rd, and took as his text "Time, opportunity and purpose." He urged industry, purity, and patriotism.

The Opposition Leader's work during the Session was hard and exacting and is very largely referred to elsewhere. In the opinion of his followers and the party press he continued to grow in strength. To quote the Ottawa *Journal* of July 13: "The general feeling is, we think, that there have been few discussions of any importance to which he has not contributed something, often a great deal, of interesting and useful point; many pieces of legislation he has materially helped to improve, and he has been a vigilant, fearless and forcible exposer and critic of waste and graft." This paper believed that the possession of remuneration sufficient to allow him to devote all his time to public affairs had contributed to this improvement. On the other hand jibes continued from time to time to be cast in Liberal papers at the

salary paid the Leader of the Opposition—a condition of public policy which the Premier had over and over again joined his strongest opponents in describing as right and wise. Mr. Borden was in Toronto on Aug. 26th addressing the Conservatives of the East riding and, on Sept. 3rd, spoke at a Labour Day mass-meeting in Sydney Mines, N.S. The chief topics of his elaborate address were the Departmental charges and alleged scandals at Ottawa; the unseating of Mr. Fielding and the Nova Scotia corruption of 1904; the industrial development of Cape Breton due, he claimed, to the National Policy; and the carnival of expenditure at Ottawa now reaching a total of $100,000,000 a year. He denounced the Government vigorously for (1) riotous extravagance in financial affairs; (2) for the Merwin case in which this former New Yorker was said to have been paid, without tender, $18,012 for articles which cost him $11,838; for the Lodge case at Moncton where a local Liberal was stated to have purchased certain lots for $5,375 which he sold to the Government for $13,880, or a profit in a few weeks of 160 per cent.; for the *Arctic* affair and alleged Saskatchewan Valley Land deal; for certain grazing leases granted to friends of the Government in the West by which some 33,000 acres, worth any price up to $500,000, had been acquired for $1.00 an acre; for the Government's dealings with the North Atlantic Trading Company. At Truro, on Sept. 8th, Mr. Borden addressed some 7,000 people and urged the general principle of Government ownership in its application to railways, wherever practicable. At Pembroke, Ont., on Oct. 5th, he spoke very plainly upon this point:

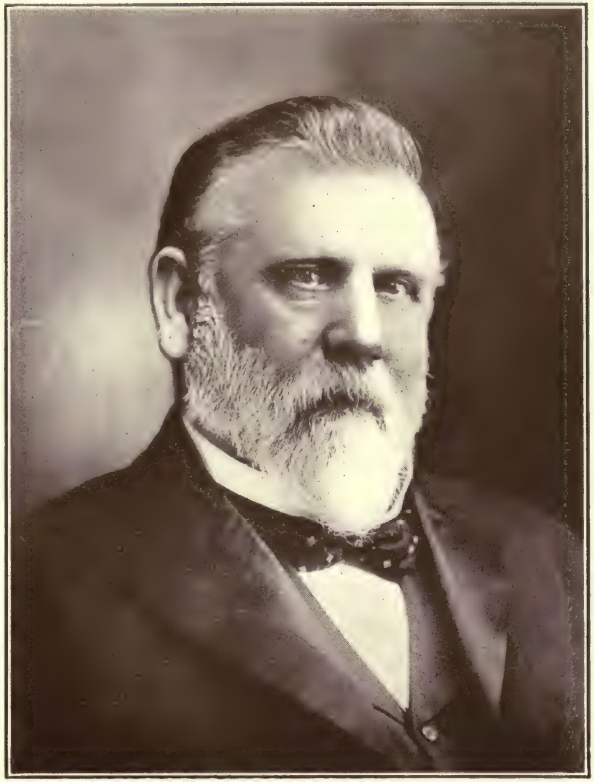
> **The ownership and operation of a railway is in one sense at least a national function because the railway is no more than a modern highway of commerce operated by a common carrier. National faith demands that contracts, however improvidently entered into, must be observed, but on the other hand good statesmanship requires that in future dealings our public domain must be regarded as including not only the national resources and facilities with which Canada has been so abundantly endowed, but also great national franchises and public utilities. These of right belong to the people and they must be administered and exploited for the benefit of the people. The gift of a great national franchise, accompanied by huge public subsidies, under such conditions as will result in pouring into the pockets of a few fortunate individuals an enormous share of the wealth created by the settlement and development of our country, is neither prudent nor statesmanlike; and there is good reason to believe that it will not in the future be tolerated by the Canadian people.**

At a Conservative dinner in Montreal on Sept. 21 Mr. Borden was optimistic as to the political future. Though the party only had 11 members from Quebec out of 65 yet they had 110,000 electors and an increase of 5 per cent. in the total vote would mean an increase to 25 or 30 members. He again urged clean elections. "If we can bring about the holding of clean elections in Canada, the abolition of bribery and the consignment of ballot switchers and forgers to the penitentiary, the Conservative party

will work as great an advantage to this country as it did during the glorious years between 1867 and 1896." Following these incidents came the Insurance Commission affair and the bandying of charges, to and fro, as to some of his most active followers in the House. *The Globe* of Oct. 5th intimated its pleasure at the Opposition Leader not being compromised in the dealings of his friends. Mr. Borden's own statement on Oct. 2, to the Ottawa *Free Press* was explicit: "I never had the slightest interest in or connection with the purchase of these lands, or any other lands, in the west of Canada. Messrs. Pope, Fowler, Bennett and Lefurgey, or some of them, told me of their proposed venture and asked me to join them. My discussion of the proposal with any of these gentlemen was during our trip to the West in 1902 before any details of the purchase had been made. The discussion was of a very casual and general character and I was so much occupied with political matters that I gave it very little consideration. I returned to Halifax from the West about October, 1902, and on the 7th of the following month Mr. Pope telegraphed to me that he was leaving for the West and on the same date I replied by telegram that I would not take any interest." On Oct. 16th the Opposition Leader was present in St. John at a banquet tendered to Mr. S. D. Scott, retiring Editor of the *Sun;* on the 25th he spoke at Wiarton in the North Bruce bye-election; on the 29th he addressed the Canadian Club of Montreal upon "The Citizen and the State."

Passing from Mr. Borden to his party associates it must be noted that on March 16 Sir Mackenzie Bowell again declined the wish of the Conservative Senators that he would remain their leader and a vote by mail was decided upon to choose his successor. The issue lay between Hon. J. A. Lougheed, K.C., of Calgary and Hon. D. Ferguson of Prince Edward Island. The former was elected by a large majority. A resident of the West since 1882 the new leader was a man of undoubted ability and a good speaker, courteous in manner and well-liked in the Senate on both sides. Mr. H. B. Ames, M.P., a rising personality in the party, was banqueted by the Lafontaine Club, Montreal, on Jan. 27th as was Mr. R. Forget, M.P., on Feb. 24th. Sir Charles Tupper spent much of the year in England. On his way thither he was interviewed by the Montreal *Herald* of May 9 and, in reference to the Treaty power question spoke of the various treaties he had negotiated for Canada—with all the authority needed. He paid tribute to the value in these negotiations of having the prestige and power of Britain behind him. A little before this (Mch. 8) Sir Charles had written a thoughtful letter to the members of the new Conservative Club, Vancouver, in which the following was the most important paragraph:

I believe that while you will profitably engage in a study of the past history of the great parties in the state as some guide for the



THE RIGHT HON. RICHARD JOHN SEDDON.
Premier of New Zealand. Died 1906.

THE HON. SIR J. G. WARD, K.C.M.G.
Appointed Prime Minister of New Zealand, 1906.

future, the paramount subject for your earnest attention ought to be how best to secure a consolidation of Imperial interests so that in times of peace British subjects may the better profit from commerce, and in time of war be the better prepared to meet the common enemy. In the right solution of this question I venture to think it will be found that the growing forces of the Labour interests and of the Imperialists will ultimately unite in framing and in carrying out a policy that will meet the needs of the varied interests of the Empire as a whole.

The Budget and Canadian Financial Conditions

In presenting his annual financial statement to Parliament on May 22nd the Hon. W. S. Fielding had to deal with general prosperity, large revenues and a substantial surplus. Since the fiscal year 1896-7 when there was a deficit of $519,981 the Minister pointed with pride to the fact of a steady succession of surpluses totalling (inclusive of the year 1904-5) the large sum of $64,300,165 with an average yearly surplus of $7,144,462. In 1904-5 the revenue was $71,182,772; for 1905-6 Mr. Fielding estimated it at $79,000,000. In the former year the expenditure on consolidated fund or revenue account was $63,319,682; for 1905-6 he placed it at $66,500,000. The estimated surplus for the current year ending June 30 was, therefore, $12,500,000. Capital expenditure for this year Mr. Fielding placed at $15,500,000, or the same as in the previous year, with a total probable expenditure of $82,000,000 and an addition to the net Debt of $800,000. In view of the changed dates of the fiscal year the estimate to April 1, 1907, would only be for a nine-month period. He placed the consolidated fund expenditure at $51,594,000 to date and the supplementaries at about $2,000,000, with capital account expenditures of $16,142,000, of which $10,000,000 was for the National Trans-continental Railway. The revenue, owing to changed tariff conditions, he would not attempt to estimate.

Mr. Fielding then dealt with the progressive improvement in Intercolonial Railway finances; with the expected Post Office surplus of $900,000 and the continued expansion of trade. Various statistics of Canadian progress followed with a general statement that while Government expenditures had increased between 1895 and 1905 by 83¾ per cent., the total trade of the country had risen 109½ per cent., the deposits in chartered banks by 156 per cent., the discounts in chartered banks by 114 per cent., the tons of freight carried by the railways 136 per cent. The Minister went on to describe the net Public Debt as being $266,224,166 or an estimate of $44.37 per capita; the increase in the Debt from 1897 to 1905 as $7,726,732; the expenditures upon capital, or special account in that period as $97,015,325. He referred to the Immigration returns, to the arrangement with the Banks as to deporting United States silver coins, to the sum of $273,750 as having been so far sent out of the country, and to the fact that $138,000,000 of Dominion loans would mature in the next three years. The Tariff changes announced were few as

the Commission had not yet reported. The exemption of machinery for beet-root sugar manufacture was extended another year as was that for alluvial gold-mining machinery. Rails re-rolled abroad for Grand Trunk Pacific use would be admitted free of duty as there was no way of having the work done in Canada.

On Oct. 31st the Public Accounts were published for the current fiscal year. The receipts on consolidated fund account were $80,139,360 and the expenditures $67,240,640. Of the former total, Customs duties realized $46,064,597, Excise $14,010,026, Post Office $5,933,342, Railways $7,950,552, Interest on Investments $2,140,312 and Dominion Lands $1,668,162. Of the latter the chief items were $10,814,697 for Interest on the Public Debt, $2,317,436 for sinking funds, $1,911,611 for Civil Government, $1,171,358 for Administration of Justice, $1,351,916 for legislation, $4,294,124 for Militia, $1,004,079 for the Mounted Police, 7,484,715 for Public Works, $1,227,560 for mail subsidies and steamships, $1,013,682 for ocean and river service, $2,530,307 for lighthouse and coast service, $6,726,372 as subsidies to Provinces, $1,548,384 on customs, $4,921,577 on Postal services, and $8,779,677 for Railways and Canals. The estimated expenditure (Consolidated Fund) for the nine months ending March 31, 1907, was $54,186,099 and on Capital Account $18,419,765. For the 12 months ending March 31, 1908 they were, respectively, $67,391,178 and $38,298,340.

In connection with this heavy increase and preceding conditions Mr. J. M. Courtney, C.M.G., for many years Deputy Minister of Finance, issued a note of warning at the Canadian Club, Toronto, on Nov. 19th, as to increasing expenditures, heavy maturing indebtedness, necessity of preserving the public credit, and desirability of not exploiting foreign capital unduly. He spoke of the indifference of electors to the financial question, which was responsible for the failure of members to oppose appropriations for public works. "I am not blaming this Government or any Government, nor do I blame all electoral districts, but as long as the average voter considers that the great impersonal thing called Parliament is created to find money to be spent in his own locality, so long will the present condition exist." A second Budget speech was delivered by Mr. Fielding on Nov. 29th as a result of the changed fiscal year. After giving details of the 1905-6 conditions which have been indicated above the Minister stated that the revenues up to date showed an increase of $4,590,000 over the corresponding period in 1905; that he estimated the revenue for the nine months ending March 31, 1907, at $65,000,000 and the expenditure chargeable to Consolidated Fund at $52,000,000. The capital and special charges were placed at $12,500,000 and a reduction of $1,200,000 in the net Debt was anticipated. The changes in the Tariff were then dealt with.

Tariff Conditions and Tariff Changes

The Government Tariff Commission of 1905* continued its work into 1906. It was at Newcastle, N.B., on Jan. 3 where requests were submitted for lower rates on lumber used in furniture making, for a higher duty on furniture, for an export duty on pulp-wood and for lower duties on American pork. At Fredericton on the 4th more protection was asked for boots and shoes and a higher duty on potatoes. The Commission (Messrs. Fielding, Paterson and Brodeur) was at St. Stephen on Jan. 5, at St. John on the 7th and at Charlottetown on the 10th. Here it heard a Farmers' Institute deputation in favour of lower duties generally. Mr. A. B. Warburton supported this view, Mr. N. Rattenbury wanted higher duties on mess pork, Hon. G. E. Hughes urged increased duties on boots and shoes, Captain Joseph Read wanted lower general duties, but a higher specific one on potatoes, and the abolition of free corn importation. The Board of Trade President asked for higher duties on tobacco. So the varied requests went at the different points visited. The Commission was at Sydney on the 12th, at Hawkesbury on the 13th and immediately afterwards, in succession, at Middleton, Liverpool, Barrington and New Glasgow. At Sydney Mr. Harvey Graham of the Nova Scotia Steel and Coal Company urged the maintenance of the duty on bituminous coal and Mr. F. P. Jones of the Dominion Iron and Steel Company eulogized the anti-dumping clause in the Tariff and asked for a renewal of the bounties.

The Halifax session was held on Jan. 29th when Mr. A. F. Macdonald, Editor of the Halifax *Chronicle,* presented an elaborate appeal for the iron mining industries of Nova Scotia. He contended that it was absurd for that Province to build up the iron-mining interests of Newfoundland when it had unlimited quantities of ore at home; that $300,000 a year were now being expended in that connection outside of the Province; that iron mining being one of the chief labour providers and wealth distributors of modern times it was a national duty to encourage its development. A bounty was asked for and Professor J. E. Woodman of Dalhousie University followed along the same lines on behalf of the Mining Society of the Province. The Nova Scotia Farmers' Association asked for lower duties on, or free trade in, clothing, implements and various articles for use by farmers. The Fish canners protested against a duty on tin-plates, the Nova Scotia Fruit-Growers Association wanted the duty on fertilizers removed and fence-wire put on the free list; the Retail Merchants Association asked for a reduced duty on coloured cottons, a new duty on ribbons and changes in duties on dress-goods of various kinds; the Board of Trade wanted the Preferential tariff limited to goods carried on British ships to Canadian ports; various interests asked for the encouragement of steel ship-

* NOTE.—See *Canadian Annual Review* for 1905, pages 155-168.

building—Mr. B. F. Pearson, M.L.A., and others requesting a bounty of $6.00 per ton. Requests were presented for the exclusion of all but Canadian vessels from the coasting trade and for encouragement to the West Indian trade.

The final session of the Commission was held at Ottawa on Feb. 6-8 with Sir Richard Cartwright present as well as the other three Commissioners. A representative of the International Harvester Company advocated an uniform duty on all agricultural implements and the placing on the free list of various articles of raw material to their industry; the Hamilton Steel Company asked for increased duties on iron and steel products and Mr. Peleg Howland, President of the Toronto Board of Trade, wanted repeal of the anti-dumping Tariff clause as being impossible of equitable application, an encouragement of fraud, an injustice to the honest importer and an unwarranted restriction upon freedom of purchase. The Montreal fruit merchants asked for lower duties; the Niagara fruit-growers wanted a high protective duty on fruits for a short season with a reduced duty for the remainder of the year; and the tin-plate interests demanded more protection. Mr. W. C. Milner, Secretary of the Nova Scotia Free Coal League, stated that "if the duty of 60 cents a ton were removed the price of United States coal in Montreal would be from $3.20 to $3.95. The lower price would be 45 cents a ton more than the Dominion Coal Company supplied the railways for and 30 cents more than it had been supplying the Montreal Gas Company." To this, a Dominion Coal Company representative stated that the agitation was fostered by the Grand Trunk Railway and that the real trouble was in the high rates for transportation charged by the railways. The case against protection for sugar refineries was presented by Mr. Robert Anderson of Montreal who charged that interest with drawing $2,000,000 in straight protection from the country over and above legitimate profits. As to this and other charges the Refiners submitted an elaborate Memorial indicating the exact statistical state of their industry, its returns, rates, profits, etc., which was published in the press of Mch. 20th. Mr. Anderson filed a lengthy reply to these contentions which was published in the Montreal press of Apl. 5th. Mr. J. E. Caldwell of City View protested on behalf of the farmers against any tariff increase whatever.

Meanwhile, there had been many opinions expressed throughout the country in varied forms. The Royal Commission on Transportation recommended a bounty of $5.00 per ton gross register on all wooden vessels of 500 tons or over built in Canada and $6.00 upon all iron or steel vessels of similar tonnage. Speaking at Moose Jaw on Jan. 24th Mr. Oliver, Minister of the Interior, said (Winnipeg *Free Press* report): "The Liberal policy is to tax the wealthy and relieve the producer. In every case before the Tariff Commission farmers declared for reduc-

tions while the manufacturers wanted increases. To vote for an Opposition candidate is to vote to give the manufacturers what they want." Mr. W. I. Gear, President of the Montreal Board of Trade, advocated free trade within the Empire in his annual address; and in several speeches Professor Stephen B. Leacock of McGill University and Mr. Arch. McGoun, K.C., of Montreal, presented the same line of thought. Mr. D. A. Watt of the Montreal Board of Trade expressed similar views in the *Witness* of August 8th: "The only national policy worthy of the name is that which will admit the interchange of native commodities between Britain and Canada as freely as between Acadia and Ontario without the intervention of a tariff or the imposition of customs' duties." In the August *North American Review* Mr. Watson Griffin presented the Canadian Manufacturers' standpoint of higher protection against the United States. At the joint meeting of the Farmers' Association of Ontario and the Dominion Grange, in Toronto on Sept. 4th, a Resolution was unanimously passed strongly re-affirming the belief that revision of the tariff should be "in a downward direction with a view to eliminate wholly the protective principle." The argument for more protection against the United States was well put by the Montreal *Gazette* on Sept. 28 in its presentation of the following table:

	United States Exports to Canada.	Per centage.	Canadian Exports to United States.	Per-centage.
Manufactured.....	$ 66,493,440	40	$ 6,923,721	10
Partially manufactured..	24,839,613	15	16,886,490	24
Raw materials	74,707,837	45	46,616,554	66
Total.....	$166,040,890		$70,426,765	

Early in September a circular was issued from Montreal by Mr. Arch. McGoun, K.C., urging the formation of a Society "to promote as the fiscal policy of Canada, the object of free trade within the Empire, or the nearest approach to such free trade as is consistent with the requirements of the revenue. The goal aimed at will be the elimination, by gradual reduction, of protective duties from trade and intercourse between all the countries of the British Empire; but it will not be attempted to disturb such duties as are required for the collection of the necessary national revenue; and purely revenue duties within the Empire, if only incidentally protective, need not be affected." Tentative steps in organization were taken. On Nov. 16th representatives of the Dominion Grange, Farmers' Association of Ontario, and the Manitoba Grain Growers' Association, presented the Minister of Finance with a lengthy Memorial concluding as follows: "We therefore ask, in the coming revision of the tariff, that the protective principle be wholly eliminated; that the principle of tariff for revenue only, and that revenue based on an honest and economic expenditure of the public funds, be adopted and, as proof of our sincerity, we will if this position is adopted by the Government, gladly assent to the entire abolition of the whole list

of duties on agricultural imports." At the New Brunswick Liberal Convention on Dec. 28th a Resolution couched in general terms asked for Federal encouragement to steel ship-building.

The much-discussed and long-expected Tariff revision took place in the autumn and the Hon. W. S. Fielding announced the proposed changes during his Budget speech of Nov. 29th. Stability in practical application and re-arrangement in form and character were its marked features. After pointing to a possible line of cleavage in fiscal matters between the East and the West Mr. Fielding proceeded as follows: " We propose a tariff of moderate character. High enough to give moderate and reasonable encouragement—protection, if you prefer the word—to the industrial classes of our community. We do not desire to strike down any industry, as we have proven by our past policy. We desire a moderate and reasonable tariff, which will give a measure of protection to the men who have placed their capital in manufacturing industries; but yet not be heavy enough to antagonize the great consuming masses of the country. It is our intention to adhere to that principle of British preference which, in the face of much adverse criticism, we laid down in 1897, and which we believe has done much for the advancement of Canada in the eyes of the Empire and of the civilized world. The degree of preference may have to be varied in some cases as compared with the present rates, but the principle will remain. It will continue to be our purpose to give a substantial preference to the goods of our Mother-land as compared with the goods of foreign countries. Then we shall have another tariff column which shall contemplate a legitimate discrimination between the products of countries which are anxious to trade with us and the products of those countries which put up the bars against us."

Practically, the general tariff was to be the existing tariff with specific changes; the Preferential tariff remained but instead of a flat, all-round preference on British goods of 33⅓ per cent. it was to be a specific preference on each article; the Intermediate tariff was a new creation standing as an invitation and intimation to countries outside the Empire that Canada was ready for tariff negotiations—subject to arrangements which might be necessary as to British favoured nation treaties. There was also the German Surtax and French Treaty. There was no appreciable change in the duties on cottons, woollens, linens and other textiles; sugar refineries were to pay 72 cents per 100 pounds on raw sugar—involving a possible addition to the revenue of $300,000; and the iron and steel bounties were continued for 4 years beginning at 55 per cent. of the original bounty. Oranges and lemons were admitted free at a loss to the revenue of about $190,000 a year and cleaned rice was reduced from $1.25 a hundred pounds to 75 cents with a probable loss of some $150,000. The duties on harvesters, mowing machines, windmills and edge tools were decreased from three to five per cent.; the general duty on unspecified machinery was increased from 25 to 27½ per

cent. and the preferential duty was lowered from 16⅔ to 15 per cent.; the duty on linseed oil was made a specific rate of $1.20 a hundred and 80 cents from Great Britain. Power was taken by the Government to deal with combines in restraint of trade, directly, upon the finding of any Court in proceedings taken under the Criminal Code.

Other changes included the levy of duties on goods imported by or for the Government; the special duty on silk fabrics was abolished and the dumping clause of the Tariff was applied to goods whether dutiable or free; the Minister of Inland Revenue was given power to authorize the free importation of denatured alcohol; a number of articles were dropped from the free list where they came in as mining machinery and others were added; amongst miscellaneous articles duties were slightly reduced on confectionery, cardboard and gasoline and increased on silverware, jewelry, clocks, watches, linotypes, telephone instruments, hats and caps, neckties, collars and cuffs, perfumery, canned meats, horses, cattle, beans, peas and vegetables; the classification of goods was radically changed and the rates re-arranged so as to facilitate computation while a system of drawbacks was introduced; large powers were given the Government in regard to the application and extension of the Preferential and Intermediate Tariffs.

The Hon. G. E. Foster criticized both financial conditions and fiscal changes. In the years from 1890 to 1896 the Conservative Administration had averaged an expenditure of $27,000,000 a year; in 1897 to 1901 the Liberal Government had averaged $34,000,000 a year; from 1902 to 1906 this average had grown to $72,000,000 a year. With the supplementary estimates he placed the expenditure of the next year at $120,000,000. Bounties, he said, were now paid out of capital instead of revenue as they used to be, and there was no visible preparation to meet the enormous indebtedness due before and during 1910. As to trade the balance was increasingly against Canada and Canadian industries. The new Tariff was a "choppy" one, the regulation of various portions by Order-in-Council was a dangerous power, the Intermediate plan would lead to that general instability which the Government dreaded. The Tariff Committee of the Canadian Manufacturers Association issued on Dec. 1st the following official expression of opinion: "The general tariff is little or no improvement as a protection against the United States, while on the other hand, the intermediate tariff, if it is made applicable to the United States, would be disastrous to many industries." Mr. W. K. George, Chairman of the Committee, stated personally to *The Globe* that the manufacturers of Toronto were very much disappointed. Mr. Fred. Nicholls expressed the regret of the ship-building interests at receiving no aid and upon this point the Liberal *Chronicle* of Halifax (Dec. 4th) urged continued pressure upon the Government. Many other interests, however, were satisfied and some well pleased. *The Globe* of Dec. 1st congratu-

lated Mr. Fielding and his colleagues on the Tariff Commission of 1905-6 upon the "safe and sane conclusions" which had followed their study of the national conditions.

In the Commons on Dec. 4th Mr. Fielding stated that the Intermediate Tariff, or proposed reduction of ten per cent., would not probably apply to the United States. Following his fiscal announcements Mr. Fielding received many delegations including the Canadian Manufacturers Association and delegates from threshing-machine makers and iron and steel interests; a deputation of Ontario tanners and another from the Canadian Rubber Company of Montreal; a delegation from the rolling mill interests of Ontario and another from the rope industry in Nova Scotia. The Liberal members from the three Western Provinces on Dec. 13th waited upon him to say that the reductions were all right and that no change should be made as a result of present pressure from the manufacturers. The Ontario Farmers' Association had a delegation, with similar views, at Ottawa on Dec. 18th.

Canadian Affairs and the Preferential Tariff

An incident of the Parliamentary Session was the statement by Mr. David Henderson, a strong Conservative, on Apl. 23rd, that "had I now an opportunity I would strike the present Preference off the statute book. What we ought to have is a mutual preference. If we obtain a preference that will be equally advantageous for Great Britain and ourselves let us adopt it." On Mch. 5th the Ottawa Board of Trade discussed a motion by Mr. Andrew Holland declaring that as Great Britain would not reciprocate the Canadian preference and as many Canadian manufacturers were suffering from British competition, the Preferential tariff should be amended so as to only apply to goods coming through Canadian ports from countries giving the Dominion a tariff preference. An amendment by Mr. P. D. Ross, expressing the belief that Canada should maintain "a policy of tariff preference to all sister British countries" was carried almost unanimously. Meantime Mr. Chamberlain's Tariff Commission had been dealing with the advantages which Great Britain derived from the Canadian preference and reported its conclusions early in the year as follows:

1. That during the last 20 years the tendency has been for Canada to depend in an increasing degree upon the United Kingdom for the disposal of her products, and upon the United States for the supply of those materials and manufactures which she is unable to provide for herself, and which could to a very large extent be supplied from the United Kingdom.

2. That, largely as the result of keen United States and German competition in the Canadian market, the exports of British manufactures to Canada declined rapidly and steadily until about 1897, when the Preference was first adopted, and that since 1897 this decline has been turned into a substantial and continuous increase.

3. That, although the Preference has been followed by a substantial and continuous increase in Canadian purchases of British manufactures, the British share of the Canadian market is increasing at a lesser rate

than the share of the United States and other foreign countries, both as regards dutiable and free goods.

Upon the other hand the Montreal *Gazette* of Mch. 29th published elaborate figures of Canadian imports from Great Britain in 1895 and 1905. Its comment was significant: "Of the 36 articles and staples above mentioned in only 10 did Great Britain obtain a larger share of the increase than the United States, viz., manufactured cottons, earthenware and china, fancy goods, flax, hemp and jute and their manufactures, glass, gloves and mitts, hides, paintings, silks and woollens. In 26 articles the United States led by a great margin, the value of the increased trade in metals and their manufactures alone exceeding the total value of Great Britain's share of Canada's increased trade. Yet the iron trade is one of Great Britain's greatest industries."

The preservation of the British Preference in the revised tariff of 1906 was a compliment to its Canadian efficiency and usefulness as well as popularity. As Mr. Fielding said in his speech on Nov. 29: "We adhere to the principle of British Preference, because, notwithstanding strong criticisms which have been made, we believe it has been a good thing for Canada. We are satisfied that it has given Canada prominence in the eyes of the Empire and of the world. And we believe that it has brought us commercial advantages which are substantial. It gave a great reduction of taxation to the consumers of this country. It has been estimated by a close calculation that if this Preference had not been established, if we had maintained the old rates of duty as we found them, and if the goods had continued to come into the country under those rates of duty—though of course they might not have done so—no less than $28,000,000 of taxation would have been collected over and above what the people have been called upon to pay under the British preferential tariff. Another point is that the rates under the Preferential tariff governed to a very considerable extent the prices of articles sold in Canada by foreign countries." Canadian imports from Great Britain had, he pointed out, increased $32,000,000 since 1897 under the operation of the Preference. As to the new Preference upon separate articles instead of the flat rate discount of 33⅓ per cent. Mr. Fielding was hopeful:

> On the whole I think it will be found as a result of our revision that the whole tariff is more favourable to Great Britain in the way of preference than it is at the present moment. We desire to turn trade to Great Britain wherever we can properly do so, because Great Britain is our best customer. We are taking special account of Great Britain as a producer of metals and when the Hon. gentlemen come to examine carefully the tariff schedules, they will find that in that particular class of goods we have increased the preference to Great Britain. Then we are making another effort, a modest effort, to turn trade towards Great Britain. There are some cases in which we propose that goods which have been free, the goods which are free to Great Britain, may have a small duty when coming from foreign countries, articles of course upon which there is competition, and in that way there will be a further advantage to Great Britain.

The Canadian Manufacturers Association and the Tariff

The opinions of this Association were much in the public eye during 1906 as a result of the pending tariff revision. At the final meeting of the Tariff Commission in Ottawa (Feb. 6) Mr. C. C. Ballantyne, President of the C. M. A., presented an elaborate printed statement of the views of a body which was stated to represent 2,000 members scattered from Halifax to Vancouver with an invested capital of $400,000,000. It alleged a number of industries to be "suffering from the unequal competition of foreign manufacturers," others in new lines of manufacture to be making poor headway and still others to be greatly depressed owing to competition under the Preferential tariff; declared that the general condition for the moment was one of prosperity but that the increasing importation of merchandize from abroad—$106,000,000 in 1895 and $256,000,000 in 1905—was alarming and meant disaster when the "good times" had passed away; that it was unfair to allow the United States to ship many millions of manufactured, or partially manufactured, goods into Canada while the product of Canadian industries was excluded from the great consuming market to the south; that in the ten years ending in 1905 the Americans had spent $8.00 per capita upon Canadian goods and Canadians had spent $207.00 per capita upon United States merchandize; that the manufactured goods now imported from the United States represented the output of two cities as large as Toronto and 15 cities as large as Ottawa; that every dollar sent to purchase United States goods went to build up competition to Canadian industries and to pay foreign workmen to buy the products of United States farms; that Western industries were now being developed amid very great natural advantages and thus made the necessity of conserving the growing home market still more obvious.

The progress already made was declared to be largely due to a protective tariff and the Government was now asked to extend its benefits by encouraging the further influx of capital and factories from other countries. A little later the Association memorialized the Ontario Government as to certain desired amendments in the Assessment Act.* On Mch. 1st Mr. R. J. Younge, the capable and energetic Secretary of the Association, accepted an important position in Montreal and was succeeded by Mr. J. F. M. Stewart, B.A. In December Mr. Stewart resigned and was succeeded by Mr. G. M. Murray. The Toronto Branch entertained Hon. R. Lemieux, Solicitor-General, on Apl. 19th, and he declared that the Government and people had ceased to look to Washington in fiscal matters, and were learning a lesson from the Americans which would give to Canadian farmers "a home market that can always be depended upon without the uncertainties of a fluctuating foreign market." Special tribute was paid to Mr. Younge's services together with an Address and

* NOTE—See *Industrial Canada* for April, 1906.

presentation. At the annual meeting of the Montreal Branch on July 24th the President, Lieut.-Colonel J. H. Burland, declared that the pendulum was swinging forward from the old days when the labourer was oppressed to a time when the employer would be the oppressed.

The annual meeting of the Association took place at Winnipeg on Sept. 18-19 with President C. C. Ballantyne in the chair. The visitors were welcomed to the City by Mr. Premier Roblin, Mr. Mayor Sharpe and Mr. E. L. Drewry of the local C. M. A. Mr. Ballantyne's annual address was packed with facts of progress, principles of patriotism and data as to industrial interests. He once more dealt with the policy of the Association as being to "buy what you can at home and the rest from within the Empire." He presented the following local argument for more protection: "The Canadian West is getting thousands of American farmers as settlers every year. Why not, by means of our tariff, invite American manufacturers to follow them in and build factories in the towns of Alberta, Manitoba and Saskatchewan?" As indicating the unfairness of present tariff conditions, to the farmers as well as to the manufacturers, Mr. Ballantyne pointed out that United States duty on butter was 6 cents per pound and the Canadian duty 4 cents; that the United States duty on cheese was 6 cents and the Canadian 3 cents; that the figures for eggs were, respectively, 5 cents and 3 cents per dozen and for bacon 5 cents and 2 cents per pound. Yet "Canadians bought from the United States in the fiscal year 1904, 540 times as much bacon, 13 times as much butter, five times as much cheese and over 30 times as many eggs as we sold to them—notwithstanding the fact that they have a consuming market fifteen times as large as ours." The speaker went on to urge greater care in Provincial legislation as to the commercial interests of other Provinces; to speak of the improvements in water transportation through the C.P.R. ocean liners and mail service; to declare present relations with the labour unions as, on the whole, satisfactory and the greatest need of the manufacturers to be skilled help.

Resolutions were passed by the Association (1) asking the Dominion Government to incorporate and license mutual fire insurance companies and to change regulations affecting such interests; (2) re-affirming the Tariff Resolution of 1902 and asking for addition of the duty to prices of imports for Government use before putting them into competition with Canadian prices; (3) requesting regulations as to denatured alcohol so as to not leave Canadian industries at a disadvantage with foreign interests; (4) urging the Government for an adequate bounty on steel shipbuilding tonnage launched in Canada; (5) approving further action in the establishment of a Labour Bureau in England; (6) declaring the Association to feel more and more keenly the necessity of the Dominion Government taking action to meet the

demand for better facilities in technical training; (7) undertaking to influence the Provincial Governments to take up the question of allowing incorporated companies to vote on Municipal by-laws; (8) favouring the application of the British preference only to goods coming in *via* Canadian ports; (9) transmitting to Lord Strathcona, as Hon. member of the Association, the greetings of its 35th Convention. The following officers were elected:

President.....Harry Cockshutt, of Brantford, Ont.
1st Vice-President....Hon. J. D. Rolland, M.L.C., Montreal.

Provincial Vice-Presidents.

Ontario	Lloyd Harris	Brantford.
Quebec	G. A. Vandry	Quebec.
Nova Scotia	T. M. Cutler	Halifax.
New Brunswick	Charles McDonald	St. John.
Prince Edward Island	F. L. Haszard	Charlottetown.
Manitoba	L. C. McIntyre	Winnipeg.
Alberta	A. E. Cross	Calgary.
Saskatchewan	E. J. Brooks	Regina.
British Columbia	John Hendry	Vancouver.

The Chairmen of the chief standing committees were as follows: Railway and Transportation, Mr. J. H. Housser; Parliamentary, Mr. A. S. Rogers; Commercial Intelligence, Mr. T. A. Russell; Tariff, Mr. W. K. George. The Convention concluded with the usual banquet. Mr. Cockshutt, the President-elect, occupied the chair and the speakers included Mr. E. L. Drewry, Hon. C. H. Campbell, Mr. R. J. Younge, Mr. Lloyd Harris, Hon. R. P. Roblin, Mr. W. K. McNaught, M.L.A., and Mayor Sharpe. An illuminated Address was presented to Mr. W. K. George, President in 1904-5; great cheering greeted a reference to the Manitoba Government's flag policy; Mr. Campbell proclaimed the popular view in Manitoba to be one of sharing in the national life and obligations of both Canada and the Empire; Mr. Roblin declared a people or a nation without industrial enterprise to be "form without substance, a body without a soul." Following the Convention the Association went upon an excursion to the Pacific Coast. They visited Regina, Moose Jaw, Calgary and Banff on the way to Vancouver and Victoria which were reached on Sept. 24-26. On the return trip Revelstoke, Glacier, Calgary, Edmonton, Strathcona, North Battleford, Saskatoon, Dauphin, Neepawa, Winnipeg, Kenora, Fort William and Port Arthur were included in the itinerary. Various banquets and entertainments were given the visitors. At Montreal, on Nov. 13th, a complimentary Dinner was given Mr. C. C. Ballantyne by the C. M. A.

Board of Trade Conventions during 1906

The usual three annual gatherings of business men took place during the year—in British Columbia, in the new Provinces, and in the Maritime Provinces—and embodied much of public opinion and commercial, financial, and industrial progress in their deliberations. The 8th annual Convention of the Associated Boards of Trade of British Columbia met at Cranbrook on

Jan. 31st, with Mr. G. O. Buchanan of Kaslo—who was afterwards elected President for a fifth term—in the chair. Mr. F. A. Starkey of Nelson was elected 1st Vice-President and Mr. A. B. Mackenzie of Rossland Secretary-Treasurer. Resolutions were passed (1) in favour of the imposition of a Dominion duty of one cent a pound on lead, after deducting any preferential allowance; (2) condemning the Provincial School Act of 1905; (3) asking for an investigation into the alleged combine of the Grant and Hamilton Powder Companies of Canada and for the abolition of the present duty of three cents on imported powder from the United States; (4) suggesting the purchase of gold and silver by the Dominion Government, for minting purposes, at the Trail refinery; (5) urging the Provincial Government to support the Kootenay Central Railway with a loan or guarantee of bonds; (6) asking for Provincial legislation empowering all municipalities to operate and own telephone lines and to connect with trunk lines; (7) demanding a Commission of Inquiry into the matter of reserved lands between Lake Slocan and the Okanagan Lakes, claimed by the Canadian Pacific Railway, into that and other land subsidies in Yale and Kootenay, in relation to the subject of taxation, and into the question of collecting arrears of taxation from the C.P.R. and Heinze interests; (8) condemning proposed legislation at Victoria against the export of manufactured lumber from British Columbia; (9) asking for a Provincial investigation into the boundary of the British Columbia Southern Railway land grant. Certain charges in connection with the last-mentioned point were vigorously denounced by Mr. W. Pearce of the C.P.R. and the Resolution was only carried by the casting vote of the Chairman. Resolutions of the preceding year were re-affirmed* regarding the establishment by the greater railways of experimental farms and stations in the Province; urging international arrangements for the reclamation of Kootenay Valley River lands; asking for a resident Supreme Court Judge in Southern Kootenay; suggesting a Dominion Department of Mines; and asking the Provincial Government to establish a forest reserve of 50,000 acres for a Provincial Park. The Associated Boards included in this Convention were those of Cranbrook, Fernie, Fort Steele, Grand Forks, Greenwood, Kaslo, Moyle, Nelson, Phœnix, Rossland, Sandon and Trail.

The Associated Boards of Trade of Western Canada met at Edmonton, in its 3rd annual Convention on June 13th, with Mr. R. J. Hutchings, Vice-President, in the chair. Following a brief address which referred to the prosperity of the country, the death of Mr. Thomas Tweed of Medicine Hat, their late President, and the unavoidable absence of Mr. C. W. Peterson of Calgary, one of the founders of the organization, Mr. Hutchings was elected President, Mr. T. Copeland of Saskatoon, 1st Vice-President,

* NOTE—See *Canadian Annual Review* for 1905, pages 175-6.

Mr. P. McAra of Regina, 2nd Vice-President, and Mr. F. T. Fisher of Edmonton, Secretary, for the ensuing year. Delegates were present from Calgary, Cardston, Edmonton, Lacombe, Leduc, Lethbridge, Milestone, Medicine Hat, Melfort, Moose Jaw, Battleford, Olds, Raymond, Red Deer, Regina, Saskatoon, Stettler, Strathcona, Vegreville, Wetaskiwin, Dauphin, Winnipeg, and other points in Alberta, Saskatchewan and Manitoba. The principal Resolutions passed were as follows:

1. Acknowledging the service of the late Thomas Tweed to Western development generally and to commercial interests in particular.

2. Approving the maintenance of hospitals by public funds collected through local improvement districts and municipalities.

3. Demanding improved postal facilities in the West, suggesting the establishment of a railway mail car service and appointment of a Western Post Office representative to act in cases of local urgency.

4. Approving Government or Municipal ownership of telephones.

5. Pledging individual influence, wherever possible, to promote the use of "products grown and manufactured in the West."

6. Endorsing the establishment of Forest Reserves by the Dominion Government, asking the Dominion and Provincial Governments to take action in the promotion and preservation of timber, and in the encouragement of tree-growing on prairie lands.

7. Urging the Dominion Government to abolish all taxes upon denatured alcohol in view of its cheapness and usefulness as a domestic and industrial fuel.

8. Suggesting the appointment of Provincial Commissions by the Governments of Alberta and Saskatchewan to facilitate the codification of Provincial laws along the lines of uniformity in commercial regulations.

9. Asking the Dominion Government to enforce Canadian standards of size, etc. (such as the Imperial gallon), in connection with imports.

10. Favouring the limitation of exemption from attachment, by way of garnishee, to $25.00 in any one month; the establishment of local or County Courts with resident Judges in the Provincial centres; the passing of legislation providing for the arrest of absconding debtors.

11. Declaring that in the interests of Education higher salaries to teachers should be paid by School Boards and the salaries be graded according to merit and responsibility.

12. Supporting the formation of local Statistical Bureaus dealing with the prices of produce and agricultural figures generally.

13. Asking the Imperial Government to appoint a Commission to inquire into the whole matter of the Cattle Embargo.

14. Requesting the Provincial Governments to provide legislation looking to the construction and maintenance of good roads, with funds collected from and in some manner charged against, the lands benefited thereby.

15. Asking the Dominion Government to have the metric system made compulsory in Canada.

16. Urging that in Alberta new town sites be laid out under general Government regulations with a view to proper drainage, water supply and survey plans.

17. Declaring that all just claims against Railway Companies for lost or damaged goods should be settled within 60 days.

18. Declaring Hudson's Bay to be the natural and cheapest outlet for Western products and "a perfectly feasible" route; requesting the Dominion Government to continue investigations as to the practicability of the route; and, as soon as that is established, requesting that Government "to build a road from some point on the North Saskatchewan River to Fort Churchill as a national undertaking."

19. Recapitulating the needs of the West in the way of more railways and cheaper rates; declaring that the Dominion Government should be strongly urged to afford all reasonable encouragement to any proposition looking to the increase of transportation facilities in Western Canada; and asking that no legislative obstacles be placed in the way of any railway company wishing to build lines in any direction.

20. Asking the Railway Companies to grant special excursion rates in Summer from the West, to points in the East, as they now did to points West from the East.

During the banquet which followed the close of the Convention on June 14th, addresses were delivered by a number of well-known Western men who had, also, been amongst the energetic participants in the work of the gathering. The list included Messrs. A. T. Cushing, W. T. Lines, and W. Short of Edmonton; R. J. Hutchings and W. Pearce of Calgary; W. Cousins and A. S. Noble of Medicine Hat; H. W. Laird of Regina, A. Strang of Winnipeg and W. C. Ives of Lethbridge; J. A. Campbell of Dauphin, T. Copeland of Saskatoon, and B. S. Young of Raymond; Mayor May of Edmonton and Mayor Emerson of Calgary. Messrs. G. H. Shaw, of the Canadian Northern Railway, R. R. Jamieson of the Canadian Pacific, and the Rev. Principal Riddell, spoke as guests.

The Maritime Board of Trade met in its 12th annual Convention at Amherst, N.S., on August 15th and 16th with Captain Joseph Read of Charlottetown in the chair and delegates present from Amherst, Annapolis, Berwick, Canning, Canso, Halifax, Kempt, Kentville, Truro, Windsor, Yarmouth, Sydney and North Sydney in the Province of Nova Scotia; from Chatham, Moncton, Sackville and St. John in New Brunswick; and from Alberton, Summerside and Charlottetown in Prince Edward Island. The Presidential address was a vigorous document presenting the need for a fast Atlantic service and for a tunnel connecting the mainland and Prince Edward Island; denouncing Ontario people as ungrateful for attacking Intercolonial management in view of their being the chief beneficiaries of its alleged cheap rates and by the removal of Canal tolls; declaring the people of Prince Edward Island to be embittered against the union with Canada on account of injustice done them in the matter of subsidies, taxation, representation, and winter communication. During the session a notable paper was presented by Mr. J. W. Regan upon advertising the Provinces; by Mr. A. E. Atlee upon the best means of retaining their young men in the country; and by Mr. H. T. McDougall upon Transportation in Canada. At the close of the Convention Mr. W. S. Fisher of St. John was elected President; Mr. A. M. Bell of Halifax, 1st Vice-President; Hon. G. E. Hughes of Charlottetown, 2nd Vice-President; Mr. Charles M. Creed of Halifax, Secretary-Treasurer. Resolutions were passed as follows:

1. Declaring that in view of the upbuilding of the West having entailed so great a drain upon the resources and population of the

Maritime Provinces the Dominion authorities should now devise some efficient means of recompense by the encouragement of immigration suited to the local development of Fisheries, Agriculture and Mines and by special bonuses or fiscal treatment for the promotion of local industries and trade.

2. Appointing a Committee to study the Fisheries question and the proposed abrogation of the *Modus Vivendi* with the United States.

3. Favouring the political and commercial union of Canada with the West Indies.

4. Asking each of the Provincial Governments to establish a Bureau of Industry, Publicity and Immigration for the purpose of collecting, tabulating and distributing detailed information as to vacant lands, labour supply, and local industrial conditions, in the Maritime Provinces.

5. Re-affirming the desirability of a union of the three Provinces.

6. Approving an elaborate, organized and defined scheme of improved grain transportation from the head of the lakes to the sea as presented by Mr. H. T. McDougall.

7. Urging the Minister of Marine and Fisheries to place a more powerful boat than the present ones in the Straits of Northumberland during the coming winter.

8. Declaring the freight rates on the Intercolonial and Prince Edward Island Railway to be excessive and detrimental to the best interests of the Maritime Provinces.

9. Pointing out that in any future contracts for local railway extension the Dominion or Provincial Government should insist upon the main sources of fish supply being included in the areas provided for; and asking the Dominion Government to re-adjust the fishing bounties in favour of the lobster interest.

10. Endorsing the recommendations of the Royal Transportation Commission as to the grades and curves of the Intercolonial Railway, the route of the Grand Trunk Pacific from Quebec to Moncton, the Intercolonial Railway and Grand Trunk Pacific running rights, the mail, passenger and express service between Halifax and Liverpool, and declaring, also, that mail steamers should stop at North Sydney.

11. Urging that Government assistance be given to any Company building a Railway from Liverpool to Digby, N.S.

12. Declaring that the Dominion Government should, first, pass a ship's subsidy bill for the promotion of sea-going Canadian-owned tonnage; and second, take such steps as will secure for Canada the privilege of cancelling existing coasting privileges now enjoyed by foreign countries under the old Imperial treaties.

13. Favouring the establishment of higher technical institutions of education in each Province, equipped with the necessary laboratories and instructors.

14. Declaring that the incorporated towns of Nova Scotia should have the right to grant permission for the opening of their streets for the purpose of supplying light, heat and power.

Canadian Clubs and other Organizations during the Year

The somewhat extraordinary movement for the organization of Canadian Clubs in the leading centres of the Dominion—the outgrowth of an evident popular demand for information upon public affairs—continued during this year.* The plan was admirable in its simplicity and involved a weekly Luncheon addressed by some prominent local personage, visitor, or authority upon a specific subject. The first of the kind, and for many years the only one, was organized in Ham-

* NOTE.—See *Canadian Annual Review* for 1905, pages 184-7.

ilton by Messrs. C. R. McCullough and W. Sanford Evans on Feb. 1, 1893; the most notable in the character of its speakers and the number of its members was that of Toronto. By the end of 1906, or early in 1907, there were Canadian Clubs at Ottawa, London, Orillia, St. Catharines, Cornwall, Barrie, Perth, Guelph, and Brockville in Ontario; at Montreal and Quebec, Halifax and St. John; at Winnipeg, Edmonton, Calgary, Regina, Portage la Prairie, Vancouver, Victoria and Dawson City in the West. The list of speakers at these various Clubs during the year included many men of light and leading; the presentation of much and varied thought from such opposite lines of leadership as the Governor-General, Mr. Carnegie and Mr. Saint N. Sing; an evolutionary tendency toward higher and more complete knowledge. Earl Grey's splendid speeches before the Vancouver and Toronto Clubs alone warranted their existence and his words to the latter organization may well be quoted here:

> It should be the special duty of the Canadian Clubs to take such steps as may be necessary to create a public opinion which shall be strong enough to keep your Judiciary pure and incorruptible; your Administration, federal, provincial and municipal, absolutely clean; with the highest ideals of duty and of disinterested citizenship before your schools; and if you, through the vigour with which your Canadian Club organizations condemn any departure or falling from these national ideals, succeed in creating a public opinion which shall cause every man to feel that it is better for him to be honest than to be smart, and that character counts for more than wealth in the assets and the good opinion of the nation; then I say, there would appear to be no limit to the greatness which awaits you, the people of Canada.

Some other important speeches of the year before the Canadian Clubs were those of Mr. J. H. Choate at Ottawa on Feb. 1st; Mr. J. H. Ashdown at Winnipeg on Jan. 24th; Hon. George E. Foster at Montreal on Apl. 15th; the Dominion and Provincial Premiers at Ottawa on Oct. 9th. The Toronto Club entertained Mr. Booker T. Washington on Feb. 5th, Hon. J. H. Eckels of Chicago on Mch. 5th, Mr. Andrew Carnegie on Apl. 27th. The Winnipeg Club had a memorable meeting on May 15th with Mr. J. J. Hill as its guest. In that city the organization took an active part in local protests against the action of some Civic authority in flying the United States flag over the City Hall on July 4th. Correspondence between its Secretary, Mr. J. B. Mitchell, and Mr. Mayor Sharpe indicated a "mistake" having occurred. Mr. Mitchell wrote the press in the matter also and a good deal of annoyance was expressed at the local action. Though no tie of union existed originally amongst these Clubs an effort was made in 1905 and 1906 to bring them together in association with similar Clubs existing in the United States at New York, Boston, Philadelphia, Buffalo, Cleveland, Pittsburg, Rochester, Cincinnati and St. Louis. A meeting was held at Niagara Falls on Sept. 3rd and a League of Canadian Clubs formed with Mr. C. R. McCullough of Hamilton as General President; Mr. H. C.

Monk of Montreal, Vice-President for Canada; Mr. A. R. Minard of Boston Vice-President for the United States; Dr. J. D. Wilson of London, Secretary for Canada; and Mr. Gordon F. Matthews of Buffalo, Secretary for the United States. Some of the Presidents for 1906 were as follows:

Montreal	Pierre Beulac.
Toronto	Mark H. Irish.
Ottawa	Plunket B. Taylor.
London	George C. Gibbons, K.C.
St. Catharines	W. J. Robertson.
Cornwall	W. A. Stewart.
Winnipeg	J. A. M. Aikins, K.C.
Portage la Prairie	W. A. Vrooman.
Victoria	A. W. McCurdy.
Vancouver	F. C. Wade, K.C.
Perth	J. A. Allan.
Orillia	C. J. Miller.

The best known of the United States organizations was the Boston Club, formed in 1900, of which Mr. C. H. McIntyre was President in 1906. Its most notable Canadian guests in the year were Lieut.-Governor D. C. Fraser of Nova Scotia, Hon. A. B. Morine of Toronto, Mr. A. P. Low of Ottawa, and Mr. Hamar Greenwood, M.P. A similar organization to the Canadian Clubs was the Empire Club of Canada, Toronto—with this difference that its object was clearly stated to be "the advancement of the interests of Canada and a United Empire." Mr. J. P. Murray was President in 1906 and amongst the notable addresses were those of Hon. R. F. Sutherland, Speaker of the House of Commons on Jan. 11; Hon. W. A. Weir, Speaker of the Quebec Legislature on Apl. 5.

The Orange Order in Canada is a very old and influential and much-quoted organization. Non-political in its nominal principles it, in practice, has always been a more or less aggressive force in Canadian politics. During 1906 its views were frequently referred to in Parliament and its alleged opinions quoted by French-Canadian members with considerable hostility—notably so on June 6th. Its organ in Canada, *The Sentinel,* put up an aggressive and continuous fight during the year against any extension of Roman Catholic influence in the country and its articles stirred up or followed antagonistic expressions in *Le Nationaliste* and *La Presse* of Montreal, *Le Temps* of Ottawa and other Quebec Province or Catholic papers. As adopted in Edinburgh on July 22nd, 1885, and re-affirmed at the Triennial Council meeting in Toronto, on July 18, 1906, the following paragraph embodied the semi-religious principles of the Order: "The pretension of the Pope to supremacy over the whole Church of Christ and over the kings and nations of the earth, as Vicar of Christ, and his pretension of infallibility in all questions of faith and morals, are contrary to the Word of God, and are to be utterly rejected; as are also his impious claims of power to dispense with

the obedience of divine commandments and to apply to individuals, on conditions appointed by him, the merits of Christ and of Saints by indulgences." Some of the utterances of Orange leaders in this period were sufficiently strong. Mr. Thomas Duke, the Grand Master of British Columbia, in his annual address at Nanaimo, on Feb. 20th stated that:

> **The day for stern action has come. We are strong enough numerically, if united and determined, to purge not only Protestant Canada, but also to free our Roman Catholic brethren in Quebec, from the curse of sacerdotal interference in the schools and at the booths. Henceforth our cry must be in Canada: "One flag, one nation, one language, one public school system from ocean to ocean." Let us determine to drive into oblivion and cover with our solemn curse the man, person, priest, or system that will seek to uphold with public funds the sectarian differences that have caused the bloody struggles for liberty in the past.**

The Grand Master of Ontario East in his Report, presented at Lindsay on Mch. 21st, declared that "with our internal affairs governed by an imported Italian priest, our constitutional liberties trampled upon and destroyed at the dictation of Rome" we have indeed little to boast of. Dr. T. S. Sproule, M.P., Grand Master of the Supreme Grand Lodge, proposed at the annual meeting of May 30 that a Canadian Protestant Federation should be formed. "By this means all the distinctively Protestant organizations could co-operate in resisting further and unwarranted concessions to the Roman Catholic Church." Amongst the Resolutions passed by the Triennial Council of the World, meeting on August 16 in Toronto, was one expressing sympathy with Protestant missions everywhere, and urging help to the struggling people of France in their contest with a State church. "We rejoice in the reports of constant conversions in Ireland, in the steady progress of the 'Away from Rome' movement in Austria, and in the truly marvellous growth of organized Protestantism in Italy, and in Rome itself." For the time-being there was nothing to arouse the British element in the Order's principles and policy and this other line of thought had fuller sway. The chief Canadian officers of 1906 were as follows:

Grand Lodge of	Grand Master.	Address.
British America	Dr. T. S. Sproule, M.P.	Markdale.
Ontario West	Lieut.-Col. J. H. Scott	Walkerton.
Ontario East	Lieut.-Col. J. E. Halliwell	Stirling.
Quebec	Thomas Gilday	Montreal.
New Brunswick	Harry F. McLeod	Fredericton.
Prince Edward Island	Rev. D. McLean	Mount Herbert.
Nova Scotia	Rev. A. H. Campbell	Trenton.
Manitoba	Thomas Sharpe	Winnipeg.
North-West Territories (Western Division)	E. H. Crandell	Calgary.
North-West Territories (Eastern Division)	E. J. Cudmore	Westview.
British Columbia	John Wallace	Victoria.
True Blue Association	James T. Hartt	Orillia.
Orange Young Britons	Thomas Patterson	Hamilton.
Grand Black Chapter of B.N.A.	William Chenery	Toronto.

Canadian Militia Affairs and Conditions

There were criticisms during the year of the new Militia Council as being too concentrated in its power and oligarchic in its character; of the Permanent Force and its work in general; of appointments such as that of Major Shannon at Kingston and dismissals or retirements such as those of Colonel Boulanger in Quebec and Lieut.-Col. C. A. Smart in Montreal. But Sir Frederick Borden, however people might differ with him personally, or politically, continued to prove a good administrator of his Department. Speaking at the Dominion Artillery Association meeting in Ottawa on Feb. 28th the Minister stated that Canada would in a few years have a supply of the best field guns in the world. At a military meeting in Toronto, on Mch. 20th, he advocated an uniform and compulsory system of physical training in the schools under guidance of teachers supplied by the Department of Militia; the teaching in this way of the rudiments of military drill and a working knowledge of the use of the rifle to the school-boys of Canada. "No self-respecting citizen of this Dominion should claim the right of exercising his franchise or enjoy the full privileges of citizenship unless he has given over 12 days of his time for three years, at the annual camps, in learning how to defend his country."

He deprecated the application of the Swiss system to Canada, as recently and elaborately urged (Feb. 12) by Lieut.-Col. W. Hamilton Merritt, chiefly on the ground of differences in condition between the two countries and peoples. He also intimated that the Permanent Force was not fulfilling expectations and he intended "to see that the Force earned its living." In the Trafalgar number of the *United Service Magazine* of London, the Minister had an elaborate article upon the history, functions, and condition of the Militia. Speaking in answer to various questions (May 14) in the Commons regarding the Ross Rifle and the Government contract in that respect Sir Frederick stated that 16,500 of these rifles had been purchased to date and 4,695 distributed, to the Mounted Police and Permanent Force, chiefly; that the last British army rifles purchased from the War Office cost $24.00 laid down here, duty free, while the Australian Defence Department was paying $26.58 for its latest rifles; that the Ross rifle had been subjected to every test used in England and, in the matter of strength, to even more. Complaints were alleged during the year from the Mounted Police as to the qualities of this fire-arm.

In June Sir F. Borden put through Parliament his measure amending the Militia Pension Act so as to provide the counting of past services, for pension and allowance purposes, for men transferred to the Permanent Forces at Halifax and Esquimalt. On July 16, the new Petewawa Camp was opened on the banks of the Ottawa River as a central training ground for the Militia, with many specially constructed buildings and varied arrange-

ments for the comfort and convenience of officers and men. The *Globe* of Aug. 9th declared the grounds almost ideal and described experts as being agreed upon this point. Cavalry, Artillery, Infantry and Engineers could and should be all trained there together. It was stated that the new grounds would eventually comprise 50 square miles of territory. In November the Royal School of Artillery was re-arranged into three divisions—horse and field at Kingston, heavy artillery at Quebec, and coast defence at Halifax and Esquimalt. Early in December cablegrams from England announced the engagement of 150 disbanded men from the Manchester Regiment for enlistment in the Permanent Force which, according to semi-official reports from Ottawa on Dec. 6th, was still 400 short of its expected establishment of 3,000. At Esquimalt on Dec. 14th, it was stated that the strength of the garrison was away below the required number on account of the difficulty of enlistment. Writing in *Canada* on Dec. 1st Captain C. F. Hamilton of Ottawa described the weakness of the Canadian Militia system as (1) a serious deficiency in training; (2) a lack of officers with the proper qualifications; (3) a shortage of arms, ammunition and stores.

In his annual Report as to the Royal Military College, Kingston, Lieut.-Col. E. T. Taylor, Commandant, stated that 82 cadets were in attendance during the term with 22 graduates. "The health of the Cadets," he said, "has been fair; conduct fair; discipline poor. The result of the examinations has been satisfactory." The Report of Commissioner A. Bowen Perry, of the Royal North-West Mounted Police, showed on July 31, 1906, a total force of 734 officers and men and 588 horses—with a scattering of the men all over the vast western regions from the Yukon to the shores of Hudson's Bay, from Alberta to the Arctic seas. Special service under severe conditions of hardship were rendered on the Peace River and Yukon trail, in the Arctic regions by Inspector Howard, on and around Hudson's Bay by Superintendent Moodie. In the Yukon and Northern Alberta, during the strike at Lethbridge, as a patrol on Lake Winnipeg, in the capture of British Columbia train robbers—wherever disorder or lawlessness showed itself, or was possible, this most energetic, thorough and invaluable body of men did splendid service.

On Dec. 31, 1906, the Militia Council reported as to the policy and developments of the year over the signature of Sir F. W. Borden, President, and Minister of Militia. The formal transfer of Halifax and Esquimalt was reported as having taken place on June 18, with Colonel C. W. Drury, C.B., in command at the former fortress and Colonel J. G. Holmes at the latter. Shortness of funds had prevented all the desired expansion of Militia in the North-West, but something had been done and the new corps had performed excellent work. Recruiting for the Permanent Force had been exceedingly difficult and volunteers had been sought from disbanded British regiments with success. Arrange-

ments were completed for the temporary interchange of selected officers with the Governments of India and Australia—Captain J. H. Elmsley going to the India Army for a year and Lieut. E. Clairmonte to the Australian forces. Lieut.-Colonel O. B. S. F. Shore, D.S.O., came from India and Lieut. P. S. Long-Innes from Australia in their places. A Canadian Army Pay Corps was established during the year and the bearer companies and field hospitals were amalgamated, while progress was also made with the military survey of Eastern Canada.

As to the annual Camps regret was expressed at the deficiency in qualified subaltern officers and competent section commanders and the inefficiency in non-commissioned officers. Attendance, however, was highly satisfactory during 1906; general training was improving, though very slowly; rifle shooting showed decided improvement. Twelve days was declared "too short a time to enable the soldier to attain even moderate acquaintance with his duties." During the year, out of an authorized establishment of 33,045 officers and men 26,062 received 12 days' training in district camps and 13,242 in local headquarters out of an establishment of 14,953 officers and men. The Permanent Force was reported as having had serious handicaps in being under strength and training at irregular periods in the year. The former trouble was due partly to difficulties of accommodation, partly to recruiting difficulties and partly to desertions. Although its authorized establishment was 5,000 the effort had been made to obtain 3,055 only for 1906 and even this number had been impossible to complete. Cadet corps continued to increase amongst the schools and the Council found this branch of the system most satisfactory in results.

During the year the Militia aided the civil power at Winnipeg, Kingston, Buckingham and Hamilton in connection with local Labour troubles; 296 officers and men being employed at Winnipeg, 170 at Buckingham, and 172 at Hamilton. The Militia expenditure for 1905-6 was $5,594,000, or $1,644,167 more than in 1904-5, and of this sum $1,348,495 was for pay, salaries and allowances, $809,924 for annual drill, $304,950 for properties, works and buildings, $174,979 for Military stores, $429,726 for clothing and necessaries, $463,668 for provisions, supplies and remounts, $215,037 on the Dominion Arsenal, $179,255 on Esquimalt, $1,234,875 on capital account for arms, ammunition, lands, equipment, etc. It was stated that $387,898 was due the Imperial Government for stores, etc., taken over at Halifax and Esquimalt, less $130,639 paid on account. The Report of Brigadier-General Lord Aylmer (15 Dec.) detailed his inspections during the year. Upon the subject of desertions from the active Militia, as well as from the Permanent Force, he spoke frankly as to the financial loss and of its demoralizing effect in general: "A large Canadian *personnel* is being passively educated to treat their sacred promises and oath to faithfully serve

their country, and bear true allegiance to their Sovereign, in a light and contemptuous manner, that may, at some future day, prove fatal to service in the field."

In reviewing matters as a whole Lord Aylmer reported "a certain amount of progress"—as much apparently as he could expect in the changing management of Militia affairs during the past two years. He expressed the idea that the Militia Council had "rather too generously" assumed self-imposed burdens and that decentralization might, in many instances, be carried on by an outside and responsible staff. In this general connection a rather curious interview with Lord Aylmer was reported in the Toronto *Star* of May 25th in which he was alleged to say that the Militia Council was still an experiment. "My personal opinion is that the Government will have to have a Commander-in-Chief. I have nothing to say against the Commandants in the various Provinces, but it is absolutely necessary that there should be a vigorous and aggressive command of the army as a whole."

The most important Militia appointment of the year was that of a successor to the late Colonel Pinault as Deputy Minister of Militia and Defence. The announcement was made on Dec. 19th that Colonel Eugene Fiset, D.S.O., who had served in South Africa with the Army Medical Corps, acted as chief Medical officer of the Canadian contingent at the Coronation, and been Director-General of the Medical service since 1902, would be appointed to the position. He was succeeded by Surgeon-Colonel G. C. Jones of Halifax who had also served in South Africa. An interesting incident early in the year was the accession of Lieut.-Colonel A. T. Thompson, ex-M.P., to the Editorship of the *Canadian Military Gazette*. On Mch. 4th a Board was appointed to revise the King's regulations and Orders with Colonel B. H. Vidal as President. The Fifth Royal Scots of Montreal (Aug. 15) and the Queen's Own Rifles of Toronto (Apl. 10) were constituted two-battalion regiments during the year with, in the former case, Lieut.-Col. J. Carson as Commandant and Lieut.-Colonels F. S. Meighen and G. S. Cantlie in command of battalions; in the latter case Lieut.-Colonel Sir H. M. Pellatt as Commandant and Lieut.-Colonels P. L. Mason and E. F. Gunther in command of battalions. A somewhat extraordinary "row" was made in the summer over the appointment of Captain L. W. Shannon as Senior Paymaster, Eastern Ontario. Kingston Liberals claimed that he was a Conservative and that the local patronage Committees had not been consulted as was their due. "Bitter feeling and bitter humiliation" were expressed by *The Whig* of Aug. 4th; and Mayor Macdonald Mowat resigned his post as Chairman of the local Liberal organization. On Aug. 28th Captain Shannon was transferred to another appointment. Of the chief popular Militia organizations the Canadian Militia Rifle League on Aug. 24th elected Lieut.-Colonel H. A. Bate of Ottawa as President; the Quebec Provincial Rifle Association on Feb. 12

selected Colonel Lawrence Buchan, C.M.G., as Chairman of its Council; the Dominion Artillery Association on Feb. 27th elected Lieut.-Colonel the Hon. J. S. Hendrie as President.

1. COMMANDERS OF BRIGADES, 1906

Brigade.	Commander.	Headquarters.
1st Infantry Brigade	Lieut.-Colonel J. Munro	London, Ont.
2nd Infantry Brigade	Lieut.-Colonel A. H. Macdonald	Guelph, Ont.
3rd Infantry Brigade	Lieut.-Colonel A. Bertram	Toronto, Ont.
4th Infantry Brigade	Lieut.-Colonel J. Mason	Toronto, Ont.
5th Infantry Brigade	Lieut.-Colonel E. A. Cruikshank	Niagara Falls, Ont.
6th Infantry Brigade	Lieut.-Colonel J. Hughes	Clarke, Ont.
7th Infantry Brigade	Lieut.-Colonel E. B. Edwards	Kingston Ont.
8th Infantry Brigade	Lieut.-Colonel A. P. Sherwood, C.M.G.	Ottawa, Ont.
9th Infantry Brigade	Lieut.-Colonel F. S. Mackay	Montreal, Que.
10th Infantry Brigade	Lieut.-Colonel Hon. P. Landry	Quebec, Que.
12th Infantry Brigade	Lieut.-Colonel H. H. McLean	St. John, N.B.
13th Infantry Brigade	Lieut.-Colonel D. McL. Vince	Woodstock, N.B.
14th Infantry Brigade	Lieut.-Colonel B. A. Weston	Halifax, N.S.
15th Infantry Brigade	Colonel, the Hon. J. M. Gibson	Hamilton, Ont.
16th Infantry Brigade	Lieut.-Colonel J. I. Davidson	Toronto, Ont.
18th Infantry Brigade	Lieut.-Colonel E. B. Ibbotson	Montreal, Que.
20th Infantry Brigade	Lieut.-Colonel V. de L. Laurin	
2nd Cavalry Brigade	Lieut.-Colonel T. Clyde	Kingston, Ont.
3rd Cavalry Brigade	Lieut.-Colonel F. Whitley	Montreal, Que.
1st Artillery Brigade	Lieut.-Colonel J. Davidson	Guelph, Ont.
2nd Artillery Brigade	Lieut.-Colonel Hon. J. S. Hendrie	Hamilton, Ont.
3rd Artillery Brigade	Lieut.-Colonel W. Crowe	
4th Artillery Brigade	Lieut.-Colonel F. H. J. Dibblee	Woodstock, N.B.
7th Artillery Brigade	Lieut.-Colonel R. Costigan	Montreal, Que.
8th Artillery Brigade	Lieut.-Colonel W. G. Hurdman	Ottawa, Ont.
9th Artillery Brigade	Lieut.-Colonel E. W. Rathbun	Deseronto, Ont.
10th Artillery Brigade	Lieut.-Colonel N. F. McNachtan	Cobourg, Ont.

2. APPOINTMENTS TO COMMAND REGIMENTS, 1906

Date.	Regiment.	Name.	Headquarters.
7 Jan.	29th Waterloo Regiment	Lieut.-Col. H. Martin	Galt.
9 Jan.	56th Lisgar Rifles	Lieut.-Col. D. W. Beckett	Prescott.
1 Feb.	42nd Lanark and Renfrew	Lieut.-Col. H. J. Mackie	Pembroke.
22 Feb.	9th Voltigeurs de Quebec	Lieut.-Col. O. Evanturel	Quebec.
14 March.	86th Three Rivers Regiment	Lieut.-Col. G. A. Tessier	Three Rivers.
15 March.	32nd Bruce Regiment	Lieut.-Col. Hugh Clark	Walkerton.
2 April.	Governor-General's Foot Guards	Lieut.-Col. H. A. Bate	Ottawa.
10 April.	2nd Queen's Own Rifles (Commandant)	Lieut.-Col. Sir H. M. Pellatt	Toronto.
24 April.	48th Highlanders	Lieut.-Col. D. M. Robertson	Toronto.
5 June.	41st Brockville Rifles	Lieut.-Col. A. A. Fisher	Brockville.
15 Aug.	5th Royal Highlanders of Canada (Commandant)	Lieut.-Col. J. Carson	Montreal.
20 Aug.	15th Argyll Light Infantry	Lieut.-Col. T. Stewart	Belleville.
31 Aug.	96th Lake Superior Regiment	Lieut.-Col. C. N. Laurie	Port Arthur.
17 Nov.	97th Algonquin Rifles	Lieut.-Col. J. R. Gordon	Sault Ste. Marie.
1 Dec.	34th Ontario Regiment	Lieut.-Col. A. G. Henderson	Whitby.
5 Dec.	92nd Dorchester Regiment	Lieut.-Col. T. J. de M. Taschereau	St. Isidore.
1 April.	1st Hussars	Lieut -Col. J. G. Morrison	London.
29 June.	13th Scottish Light Dragoons	Lieut.-Col. D. M. Stewart	Waterloo.
16 Nov.	1st Halifax Regiment	Lieut.-Col. H. Flowers	Halifax.
May.	2nd Montreal Regiment	Lieut.-Col. E. M. Renouf	Montreal.

XI.—CANADA AND IMPERIAL AFFAIRS

British Affairs of Canadian Concern

During 1906 the King showed his usual interest in Canadian affairs. A cablegram from Lord Elgin on Jan. 2nd expressed His Majesty's regret at the sudden death of Hon. R. Prefontaine; he received Canadian delegates to the Commercial Congress, at Windsor on July 13, when Sir D. H. McMillan, Sir Sandford Fleming, Messrs. R. Wilson-Smith, G. E. Drummond, F. H. Mathewson, J. F. Ellis and W. F. Cockshutt were presented; a deputation of Indian chiefs from British Columbia, headed by Chief Capilano, was received by the King on Aug. 13 and presented an Address and a petition; a number of splendid shire-horses were lent by His Majesty in the autumn for exhibition at Toronto as a proof of his interest in that branch of Canadian development. But the chief event of the year in this respect was Canada's invitation to the King, and Queen Alexandra, to pay the country and its people a visit. In the House of Commons, on Apl. 18, the Hon. N. A. Belcourt, seconded by Mr. W. B. Northrup, moved a Resolution expressive of Canadian loyalty and devotion to the King's person and of the hope that His Majesty and the Queen would be pleased to visit Canada at such time as might be found possible and convenient.

In his short speech the Premier laid stress upon the King's personal qualities, and his work in the cause of peace. Sir Wilfrid then made a reference which was probably of more consequence in the final decision than was supposed at the time: "I believe it is the opinion of all who sit in this House that if the King were to visit Canada—and he could not visit Canada without visiting the United States also—the effect would be to bring more closely together than they are at the present time—and they are more so than ever before—the two great branches of the Anglo-Saxon race on both sides of the Atlantic." This additional suggestion involved tremendous considerations of travel, functions, ceremonial, time and responsibility. After being spoken to by men of such opposite opinions as Colonel Hughes and Mr. Bourassa, as well as warmly endorsed by the Opposition Leader, the Resolution passed unanimously, as it did in the Senate on Apl. 26th when it was presented by the Hon. R. W. Scott and Hon. J. A. Lougheed. All the Provincial Legislatures then in session joined in this invitation; while centres such as Montreal, Ottawa, Toronto, Winnipeg, Quebec, Three Rivers, St. Hyacinthe, Valleyfield, Hamilton, London, Guelph, Woodstock, Halifax, Sydney, St. John, Fredericton, Regina, Calgary, Vancouver,

Victoria, and about 40 others, warmly endorsed the request; as did every newspaper of standing in Canada. In reply Lord Elgin, under date of July 7th, wrote a long despatch to the Governor-General in which he expressed the King's appreciation of the invitation, his pleasant memories of the Royal visit to Canada in 1860, and his comprehension of the wonderful growth of the country since that time:

> I need scarcely remind Your Lordship of two circumstances which must not be overlooked in the consideration of these proposals. In the first place, the current business of the Empire, which is continuous and incessant, imposes a heavy tax on the time and strength of its Sovereign, and it is well known that the absence of His Majesty from this country for any length of time is difficult, if not impossible, except under very definite limitations and restrictions; even when considerations of health and the need for comparative rest render it expedient. In the second place, it must be remembered that there can be practically no limits within the habitable globe of the distance which must be travelled to reach all parts of the British Empire, and that it would be difficult to visit one important part and decline to visit another. In spite of the many and strong inducements which prompt him to gratify the loyal wishes of his Canadian subjects, I am to say that the King feels unable at present to entertain the idea of a journey to Canada. Whether the difficulties suggested in an earlier portion of this despatch, and others which I need not particularize, could be overcome, it is premature to discuss now; but His Majesty desires that Your Lordship should make it known to all that he is prevented by the necessities of his position, and not by any lack of appreciation of the loyalty and devotion of the people of Canada to his Throne and person.

It would be quite impossible to indicate here the regret expressed by the Canadian press, and the people generally, at this result of the invitation. Many reasons were adduced other than those given in the despatch and including diplomatic requirements in Europe, Royal visits and delicate negotiations then pending, eastern troubles and complications, Australian jealousy if omitted from such a tour, as well as the difficulties involved in any possible visit to the United States. During the year the Prince and Princess of Wales concluded their splendid tour of India, the Duke and Duchess of Connaught and Princess Patricia visited East Africa, Prince Arthur of Connaught visited Canada. On Jan. 12th a Chapel was dedicated to the Order of St. Michael and St. George in St. Paul's Cathedral and the Prince of Wales was present to render tribute to the builders of Empire commemorated in the incident. The marriage of Princess Ena of Battenberg, a niece of King Edward's, to the King of Spain and her renunciation of the Protestant faith occasioned much comment in Canada based, very largely, upon a false and offensively worded oath which was cabled out to some of the papers as having been administered to the Princess. The real oath, as given by Bishop Brindle who performed the marriage ceremony, was not a denunciation of Protestantism and this was its chief clause: "I believe all those articles of faith which she (the Church) proposes to my belief, and I reject and condemn all that she rejects and condemns,

and I am ready to observe all that she commands me." During the year a full-length portrait of the King was received at Government House, Ottawa, painted by Luke Fildes, R.A., and the portraits of the King and Queen, specially painted by J. Colin Forbes, the Canadian artist, were received and hung in the Parliament House at Ottawa.

The British general election was the great event at the beginning of the year and its result, of course, affected Empire policy very largely. Sir H. Campbell-Bannerman and his Liberal Government won a tremendous victory only modified by Mr. Chamberlain's personal triumph in the Midlands. In 1900 the Unionists had 402 members, of whom 334 were Conservatives, the Liberals had 186 and the Nationalists 82. In 1906 the Liberals elected 387 members, the Conservatives and Unionists 158, the Labour Party 41 and the Nationalists 84. The causes of the change were the "small loaf" cry and free trade popularity, the Chinese "slavery" allegations, the Conservatives' Education policy and the usual swing of the pendulum. The popular vote in England showed a Liberal-Labour majority of 430,000, in Wales of 76,000, in Scotland of 133,000, in Ireland (Nationalist) of 200,000. Mr. Balfour's personal defeat in Manchester was afterwards made good by his election to a London seat. On Feb. 14th, in a letter to Mr. Chamberlain, the late Premier finally gave his adherence to the Preferential policy: "I hold that fiscal reform is, and must remain, the first constructive work of the Unionist Party and that the objects of such reform are to secure more equal terms of competition for British trade and closer commercial union with the Colonies." On July 7th Mr. Chamberlain was accorded a demonstration at Birmingham in honour of his birthday which was made an Imperial event by messages of congratulation from all parts of the Empire. His own message to a London newspaper was: "Treat foreigners as they treat us; treat kinsmen better than they treat us; treat kinsmen better than we treat foreigners." On Dec. 26th, through the medium of the Montreal *Star*, Mr. Chamberlain sent a message to the Canadian people declaring his belief in the ultimate triumph of Preferential tariffs. "The issue has never been fairly raised in the United Kingdom, and the defeat of the Unionist party at the last election was due to causes altogether outside the question of mutual preference." There were a number of Canadian candidates in the British elections with the following result:

ELECTED.

Name.	Constituency.
Hon. Edward Blake	Longford.
Sir Gilbert Parker	Gravesend.
Hamar Greenwood	York.
A. C. Forster Boulton	Hants.
C. D. Rose	Newmarket.
C. R. Devlin	Galway City.
T. J. MacNamara	N. Camberwell.
Allen Baker	East Finsbury.

UNSUCCESSFUL.

Name.	Constituency.
Donald Macmaster, K.C.	Leigh, Lancashire.
Dr. Rankine Dawson	East Edinburgh.
A. Bonar Law	Glasgow.
Capt. D. F. Campbell, D.S.O.	Mid. Lanark.
Ian Z. Malcolm	Stowmarket.
Lieut.-Gen. J. W. Laurie, C.B.	Pembroke.

Mr. Macmaster, in his elaborate Address to the electors of Leigh, reviewed at length Canada's capacity for food production and stood aggressively upon Mr. Chamberlain's platform. He was beaten, however, by 7,175 to 5,169; a result he explained as being natural in an old-time Radical constituency where he had only been working for three weeks. During the year Mr. Macmaster was called to the Bar in London and paid a visit to the Dominion, in whose legal and public life he had taken a high place. Mr. Hamar Greenwood, after winning his notable victory in York, visited Canada and was given a public welcome to his old home in Whitby on Sept. 4. He then went west on a tour to the Pacific Coast and upon returning addressed the Montreal Canadian Club on Oct. 7 and was banqueted by the Reform Club of that city on the 13th. The Whitby Old Boys of Toronto gave him a banquet on the 16th. Meanwhile early in March he had been appointed Parliamentary Private Secretary to Mr. Winston Churchill. From the latter he received, under date of Aug. 20th, a rather notable letter outlining British Liberal policy toward the Colonies:

> Canadian and Australian statesmen have been accustomed to deal only with one set of British politicians and, alike by their wise detachment from our party controversies and by their loyalty to the mother country, they have come insensibly to regard a particular political party as having an especial claim upon their confidence. In a great measure, and certainly until the last few years, that confidence has been worthily repaid, and the long period of Conservative predominance has synchronized with and generously aided the growth of the Imperial idea. At the last general election a great change was wrought in the balance of British political parties and in the disposition of political power. What you must try to do, as far as may lie in your power, is to convince your friends and kinsfolk in Canada that this change in England, great and far-reaching though it has been, does not imply any weakening of the affection of the British people towards their kith and kin across the sea, or in the earnest and vigilant efforts of the Colonial Office to render the Colonies every legitimate service, military, diplomatic or commercial, that may be in our power. There are new men, there are other principles, there will be different policies, but in the guiding aspirations, in the central impulses, in the ultimate aim, namely, a solid defensive league of free democratic communities animated by love of peace and justice under the leadership of the British Crown, in that there is no change, no sign of change, no expectation of change, of any kind or sort whatever.

During the ensuing months in Great Britain many matters occurred touching Canadian interests directly or indirectly. Army and Navy reductions, responsible government given to the Transvaal, amendment of the law as to Colonial marriages so as to recognize Colonial marriages with a deceased wife's sister, the Natal rebellion, the unrest in Egypt and India, the New Hebrides controversy with Australia and the Fisheries dispute in Newfoundland, were the chief incidents of Imperial concern. The Treaty signed on Jan. 31st between Great Britain and Japan and ratified on July 12 arranged for various international rights

of a friendly and mutual kind and for reciprocal freedom of commerce and navigation, subject to local laws while admitting Canada, thereafter, to the Japanese Conventional or special tariff. In his annual Report published in August the British Postmaster-General intimated that he was "endeavouring to prepare some plan" for the reduction of postage on magazines, periodicals and newspapers between the United Kingdom and Canada and in a letter written on Nov. 22nd, to the British Empire League Secretary, Mr. Buxton stated that he had made certain proposals to the Dominion Government and that Mr. Lemieux was meeting him in the most friendly spirit. At a Postal Congress held in Rome during June and attended by Dr. Coulter, Deputy Postmaster-General for Canada, it was decided, after October, 1907, to increase the limit for letters passing within the British Empire at the penny rate from one-half ounce to one ounce.

Sir W. Lloyd Wise, the eminent British authority as to patents, continued his agitation during the year along lines of Patent reform both in Great Britain and in Canada—which he had visited in 1902 and in 1905. Some of his suggestions had been adopted from time to time in England and some had been embodied in the Canadian Act of 1903. He now contended strongly that the clause in Canada's Patent law compelling manufacture within the Dominion frequently had an opposite effect, created uncertainty as to the fate of patents, prevented Canada from sharing in the benefits of the International Union for the Protection of Industrial Property, and did not effectually bar the importation of the objects prohibited. He urged the adoption of an equitable compulsory licensing system. Meanwhile, many Canadians had been contributing to the British discussion of Empire affairs. Mr. Joseph Martin, K.C., wrote the London *Chronicle* (Jan. 11) strongly attacking Mr. Chamberlain and his policy; Hon. R. P. Roblin of Manitoba wrote to the *Morning Post* on Feb. 6th vigorously supporting the Preferential scheme; Mr. Alex. McNeill, ex-M.P., in the same paper on June 18, reviewed the Preferential Trade movement since 1892 and urged adoption of that policy; Sir Charles Tupper, in *The Times* during July, had one of his old-time fighting controversies with Mr. Andrew Carnegie as his opponent and relations with the United States as the subject; Mr. Goldwin Smith wrote to the London *Tribune* in August the curious statement that Mr. Chamberlain's policy in Canada had "no visible support"; Sir W. C. Van Horne told the *Daily News* of Mch. 8 that Canada possessed "a greater variety of natural resources than any other country in the world."

The Judicial Committee of the Privy Council rendered a decision on Mch. 14th in the Curtin expropriation case which involved a loss to the City of Montreal of perhaps $500,000. Various other cases including the Alien Labour law appeal, the Montreal Light, Heat and Power Co. *vs.* Robert case, and the Hopper-Dunsmuir matter were dealt with. To the Montreal press

on July 31 Mr. Eugene Lafleur, K.C., declared that "not a Canadian lawyer goes over to England on an appeal to the highest court in the realm, but returns deeply impressed with the magnificent work of the Judicial Committee." At Queen's Hall, London, on June 27th, Dr. C. A. E. Harriss of Ottawa, presented his choric idyll *Pan* with the King in state attendance and with the five musical leaders of Great Britain—Sir Villiers Stanford, Dr. F. H. Cowen, Sir E. Elgar, Sir A. C. Mackenzie and Sir H. Parry—assisting in its presentation. A serious railway accident occurred at Salisbury, England, on July 1st, by which two well-known Canadians—Walter Barwick, K.C., and C. A. Pipon of Toronto lost their lives. The South-Western Line announced at once that the Company accepted full financial and legal responsibility for the accident—a condition involving heavy indemnities. The Canadian Argonaut Crew were defeated at Henley on July 4th; the Canadian Rifle team won the Kolapore Cup at Bisley on July 13th for the eighth time since 1872; the United Grand Lodge of Free Masons recognized the Grand Lodge of Quebec during July; the British Association for the Advancement of Science, meeting at York, England, on Aug. 3rd, decided to meet at Winnipeg in 1909. An address by Mr. Mortimer Clark, Lieut.-Governor of Ontario, which referred to British newspaper apathy regarding Canadian affairs evoked many denials and notably an elaborate table in the *Canadian Gazette* of Oct. 11 giving a list of references to Canada in a large number of British papers during a ten days' period in September, together with the subjects dealt with—a long and elaborate presentation of facts. The comment was as follows: "No one can glance through this ten days' harvest without appreciating the general soundness of knowledge, and the keen intelligent sympathy with which Canadian affairs are now followed by the British press." Under date of June 1st the Colonial Secretary issued an elaborate explanation defining the position and proper treatment of Foreign Consuls in British countries.

Late in December, 1905, Mr. F. C. T. O'Hara, of the Canadian Department of Trade and Commerce, had called public attention in *The Times* to the absence of British commercial officials in Canada. At that time Mr. R. J. Jeffray was traversing Australia upon an official trade mission from the British Board of Trade and, during 1906, Mr. Richard Grigg of Middlesborough was sent upon a similar mission to Canada which lasted about seven months. His object was to study foreign competition with British trade in Canada. He was, also, to ascertain the effect on British trade of (1) preferential railway and shipping rates, (2) bounties, (3) systems of payment for goods on credit, (4) false marking of foreign goods, and (5) the system of consular reports and statistics. It was a part of his duty to select correspondents for the Board of Trade. Mr. Grigg was in Toronto on July 26, in Winnipeg on Aug. 22nd, in Victoria and Vancouver

at the end of August, in St. John on Nov. 6th and Halifax on Nov. 9th, in Montreal toward the end of November. Many Board of Trade meetings were addressed and many other places visited. The following Honours were bestowed by the King upon Canadians during the year:

Honour.	Name.
Knight.	Hon. Robert Linton Weatherbe, Chief Justice of Nova Scotia.
"	Æmilius Irving, K.C., Toronto.
C.M.G.	Hon. Adelard Turgeon, Minister of Lands and Forests, Quebec.
"	William Lyon Mackenzie King, Deputy Minister of Labour, Ottawa.
"	Samuel Edward Dawson, F.R.S.C., LIT.D., King's Printer, Ottawa.
"	Wilfrid Thomason Grenfell, Supt. of Royal National Mission in Labrador.
C.B.	Major Alain Chartier Joly de Lotbiniere, C.I.E.
I.S.O.	George Lavack Bower Fraser, K.C., Chief Clerk, Department of Justice, Ottawa.
"	Louis Kossuth Jones, Secretary, Department of Railways and Canals, Ottawa.
"	Juchereau de Saint Denis LeMoine, Sergeant-at-Arms, Senate of Canada, Ottawa.
"	Joseph Pope, C.M.G., Under-Secretary of State, Ottawa.
"	Edward Davenport Sutherland, Assistant Auditor General of Canada, Ottawa.

Miscellaneous British Honours for Canadians.

Honour.	Name.
Member of Agricultural Commission, Ireland	Hon. John Dryden, ex-M.L.A.
Command of H.M.S. *Dominion*	Captain C. E. Kingsmill, R.N.
Assistant Lecturer on Colonial History, Oxford	W. L. Grant, B.A.
Lyell Medal of Geological Society	Prof. F. D. Adams, F.R.S.
Fellow of the Royal Society	Prof. A. B. Macallum, M.D., PH.D.
Fellow of the Royal Geographical Society	C. T. Currelly, B.A.
Quartermaster-General in India	Lieut.-Col. G. M. Kirkpatrick.
Assistant Quartermaster-General in England	Lieut.-Col. Sir E. P. C. Girouard, K.C.M.G.
Hon. Fellow Queen's College, Cambridge	Prof. H. T. Bovey, M.A., F.R.S.
Hon. LL.D., Aberdeen University	W. Wilfred Campbell, F.R.S.C.
" " "	Prof. A. B. Macallum, F.R.S.
" " "	Principal William Peterson, C.M.G., M.A.
" " "	Professor F. P. Walton, B.A.
Rear Admiral, Royal Navy	Captain John Denison, A.D.C.
Member of Royal Commission on Shipping Combine	H. Mathers.

Canadian Affairs of British Concern

An interesting controversy took place early in the year between the two lines of fiscal thought represented by Hon. S. A. Fisher and Sir C. E. Howard Vincent. Mr. Fisher, speaking in Montreal on Jan. 26th, denied that the farmers of Canada wanted a preference in the British market and, if they did not want one, who should? "In our own interests, I can say frankly that I am rather glad that England has decided not to give us a preference. Canadian products already have the preference there, because the farmers have produced creditable products and have beaten our rivals at every point." These views were cabled to England and two days later Sir Howard Vincent wrote a long public letter to the Minister of Agriculture claiming that he must have changed his views. He pointed to the work which had been done in England of an educative kind in the past few years, deprecated this sort of reward for the exertions of those who were working for the benefit of Canada as well as Britain, declared the remarks inconsistent with the public policy of his own Government and assured him that the general election result would be changed in a few years.

On Feb. 19th Sir Wilfrid Laurier, in his Toronto speech, put himself on record again in favour of existing conditions and in

opposition to any serious change in Empire relations. On Mch. 20 Senator J. V. Ellis told the Senate in connection with British diplomatic relations with the United States that "we have never accepted a treaty yet in a generous spirit. The discussions upon the last treaty made, as those who read the press must know, would lead us to believe that in some way we were enemies of the Empire. We might easily be more generous with the Motherland." In the Commons on Mch. 21st Mr. A. Broder moved that "this House would be pleased to learn that the volunteers of the several South African contingents from Canada, suffering total disability incurred in such service, will receive recognition from their country as part of that Empire on behalf of which they willingly made such sacrifices." In reply Sir Frederick Borden stated that "the volunteers who went to South Africa had gone there as British soldiers, under a distinct contract with the British Government that their treatment would be equal in every respect to that accorded volunteers from Great Britain." He added that "he had examined the pensions paid for total disability by this Government and found them practically the same as those paid by the Imperial Government." He thought that South African volunteers should not be better treated than those who had served on Canadian soil. The motion was lost in a vote of 97 to 59.

A series of important addresses upon Imperial topics, the making of the Empire, and the necessary changes in its evolutionary progress toward unity, were delivered by Dr. S. B. Leacock, of McGill University during the year—notably at Ottawa on Jan. 12th, before the Canadian Club, Toronto, on Apl. 2, and before the similar Club in Montreal at a later date. He wanted contributions to Empire defence and a share in its Parliamentary and Executive government. On May 22nd a despatch was sent to Lord Milner, in connection with a great banquet given him in London, signed by Mr. R. L. Borden and 27 other Conservative members of the Dominion Commons expressing appreciation of his splendid services to the Empire. In the Commons on July 6th, as the result of a question raised by Mr. Peter Elson, the Minister of Public Works undertook to have the Union Jack flying from the buildings during the Parliamentary Session. An important utterance on Aug. 12th was that of Senator L. O. David to the Montreal press in reply to a remark by Mr. Goldwin Smith: "I am convinced," he said, "that were a vote taken it would be found that the French-Canadians of the Province of Quebec would overwhelmingly pronounce themselves in favour of the maintenance of British connection. I do not think they would even prefer to live under the protectorate of France, their Motherland. And I am also convinced that once the matter was reasonably explained to them they would not object to the sending of contingents to assist the British troops in Imperial wars."

On Aug. 22nd the officers of H.M.S. *Dominion,* commanded by Captain Kingsmill—a Canadian—were presented at Quebec with

a shield, a loving-cup and some smaller gifts as a token of Canadian good-will. Some $4,000 had been collected, in a popular subscription of 25 cents, with a Committee in charge composed of the Lieut-Governor of Ontario and Messrs. D. R. Wilkie and J. Kerr Osborne of Toronto. The Governor-General was present and spoke of the time when Canada would be strong enough and rich enough to help the Mother-land in her burden of Empire. Sir Wilfrid Laurier reiterated his well-known views: "He believed it was Canada's mission to develop her own resources and strength as an integral portion of the Empire, instead of wasting them in unnecessary preparations for war; though should occasion call for it he was sure that Canada would do her duty to the Empire." In opening the Toronto Exhibition on Aug. 28th Chief Justice Sir William Mulock presented the following interesting view: "This Canada of ours is the only country in the world worth living in that is not burdened with great military debts, handed down to the present by previous generations. Keep it on those lines. Watch carefully every tendency towards militarism, for we know that preparation for war leads to war. Remember that this is the last spot of refuge on God's green earth where men can come and not pay tribute for the sins of their ancestors." Similar anti-military opinions were expressed by Hon. James Young of Galt in the Toronto *Globe* of Sept. 4th.

Two important incidents of an historical character occurred in 1906 in connection with the final taking over of Halifax and Esquimalt. On May 9th the city of Victoria said its farewell to the last of British troops in Canada under old-time conditions. Mayor Morley read an Address to Lieut.-Colonel Charles Ernest English, who was in command at Esquimalt, and on May 17th the last of the Regular army had left the fortress of the Pacific. On June 28th Major-General Sir Charles Parsons, who had for some years commanded the British troops in Canada, sailed for home after a farewell luncheon to this last of a long line of distinguished officers in command of the Forces in Canada—a position since placed in the nominal hands of the Governor-General. Speaking at Montreal on Dec. 21st the Hon. R. Lemieux described the power of this greatest of Empires; indicated the hope of soon having an "intellectual preference" by lower postal rates for British magazines and newspapers; and advocated a "shilling cable" from one end of the Empire to the other.

During the summer a party of prominent British bowlers toured Ontario and were lavishly entertained throughout the Province and at Montreal. They played 175 rinks, at 61 places, with a total British score of 3,897 against a Canadian score of 2,825. The Corinthian Football Club also visited Canada in August and played at Montreal, Ottawa, Toronto, Hamilton, Berlin and Seaforth. Amongst Canadian visitors to Great Britain who returned with strong expressions of confidence in the ultimate triumph of Chamberlainism were Messrs. Robert Meighen of Montreal, W. K.

George and Noel Marshall of Toronto, John White of Woodstock, R. Wilson Smith of Montreal and R. M. Dennistoun of Peterborough. An opposite opinion was expressed by Messrs. D. A. Watt and Alex. McFee of Montreal, Mr. A. M. Bell of Halifax and Mr. H. J. Logan, M.P. In another connection Hon. J. V. Ellis told the Senate on June 27th that a movement was proceeding which was "rapidly leading toward absolute national independence"; Mr. Justice Longley of Halifax told the Canadian Club (Aug. 8) that Canada's future was that of "an ally of England"; Prof. G. M. Wrong of Toronto in the London *Spectator*, under date of Nov. 3rd, criticized British diplomacy affecting Canada in what that journal called "somewhat heated language"; Hon. J. A. Lougheed in the Senate on Nov. 26th denounced British policy toward Newfoundland.

There were many British and Imperial visitors in Canada during the year—and continually growing in number.* Alfred Mosely, C.M.G., Jerome K. Jerome, the Earl of Ronaldshay, Vice-Admiral Sir Gerard Noel, Viscount Templetown, Sir Robert Marcus Filmer, Bart., Sir Charles W. Campbell of Chinese fame, H. Batty-Smith of the *Sportsman*, London, Sir John Newell Jordan, British Minister to China, Sir Walter Thorburn, M.P., Lord Ernest W. Hamilton, Major-General Sir George French, Colonel E. J. L. Swayne, Lord Northcliffe, Sir C. Rivers Wilson, the Earl of Caithness, F. B. Girdlestone of Bristol, Lord Osborne de Vere Beauclerk, Mrs. Burnett Smith (Annie S. Swan), J. Ramsay Macdonald, M.P., the Marquess of Queensberry, Right Rev. Dr. H. H. Montgomery of London, Rev. Dr. Arthur Robinson of *The Guardian*, Mr. H. N. Gladstone, Henry Holmes of the London and South-Western Railway, Mgr. J. S. Vaughan, Canon of Westminster, Evelyn Wrench of the *Daily Mail*, Sir C. E. Howard Vincent, who was entertained at a banquet in Toronto on Sept. 18th, Rev. S. F. Collier of Manchester, the eminent Methodist divine, Alex. Findlay, M.P., F. E. Smith, M.P., who delivered addresses in Toronto and Montreal, A. A. Tobin, K.C. of Salford, Hon. Henry Lygon of Liverpool, Norman Chamberlain, John Murray the publisher, Sir James Woodhouse, M.P., F. C. Selous, the hunter, the Earl of Carlisle, Sir C. N. E. Elliot, K.C.M.G., Sir John Langham, Sir W. H. Perkin, the distinguished chemist, Arthur H. Lee, M.P., Sir E. P. Stacey, Bart., General Sir D. J. S. McLeod, K.C.I.E., were amongst the number.

Sir John Leng, ex-M.P., of the Dundee *Advertiser*, who had visited Canada in 1906, came to the country again and addressed the Canadian Club at Winnipeg on Oct. 1st. He was welcomed at various other points and the announcement on Dec. 12, of his sudden death caused sincere regret in various Canadian circles. There were some Irish leaders in Canada during the year. Mr. T. M. Healy, K.C., M.P., was in Montreal on Oct. 3; Mr. T. P. O'Connor, M.P., addressed a distinguished audience in Ottawa on

* NOTE.—See *The Canadian Annual Review* for 1904, pages 429-435, and for 1905, pages 467-500.

Oct. 12 and spoke in Toronto on the 14th; Dr. Douglas Hyde addressed several meetings on the Gaelic movement and Mr. C. R. Devlin, M.P., visited the country as a preliminary to his final return in 1907. From India came two very opposite types of visitor—one the clever but not very exact journalist and speaker, Saint N. Sing; the other, one of India's richest native rulers and Princes, the Gaekwar of Baroda, G.C.S.I.—who stated in the Montreal *Gazette* of July 24 that the Indian people wanted more self-government. From Australia came Hon. William Anderson of Victoria, Sir John Madden, K.C.M.G., Chief Justice and Lieut.-Governor of Victoria, Sir Normand MacLaurin, M.D., of Sydney and the Hon. Daniel O'Connor. The Hon. N. Darnell Davis of British Guiana and Sir Daniel Morris of Jamaica were both visitors to Canada during the year. Aside from the value of knowledge gained, and the personal interest attracted toward a country, this tourist traffic had a value of another kind as shown by the United States estimate that American and Canadian tourists in Europe during their 1906 travels expended $85,000,000.

Prince Arthur of Connaught in Canada

It was announced on Jan. 20th that H.R.H. Prince Arthur, son of the Duke of Connaught, who had gone upon an official visit to Japan in order to confer the Order of the Garter upon the Mikado, would return home in April and May by way of Canada. Arrangements were made to welcome the Royal visitor at various centres throughout the country and on Mch. 27th he was received at Victoria from the *Empress of Japan* by the representatives of the Province and the City, by Captain Trotter, D.S.O., on behalf of the Governor-General and by Mr. Joseph Pope, C.M.G., representing the Dominion Government. In the House of Commons, Mr. R. L. Borden made graceful references to the visitor of the day; and the Prime Minister joined the Governor-General in sending telegrams of welcome. Official functions, state dinners, a fishing expedition to Cowichan, an address from the Indians, plentiful decorations in the City, marked the three days' stay on the Island. A brief stop at Vancouver, a night spent at Field, a couple of days at Banff, marked the trip through the mountains.

Calgary welcomed His Royal Highness on Apl. 5th with a gaily decorated city, Indian sports, patriotic songs by 2,000 school children, and evening illuminations. Edmonton was reached via the Canadian Northern on the 6th, and an Address received from the Alberta Legislature. From Edmonton to Winnipeg, as through the Pacific Province to Calgary, stations were gaily decorated and short stops were made at many points where the crowds were given an opportunity of greeting Royalty and extending a welcome to the young Prince who had already won popularity by his unaffected manner, and "democratic bearing," as the papers liked to call it. At Winnipeg on Apl 9 and 10 Prince Arthur was given a civic reception, the city was decorated and the city

Hall illuminated in the evening; the Ogilvie flour mills were visited, the school cadets inspected, a reception was given at Government House and a Dinner at the Manitoba Club. Regina was visited by way of the C.P.R. and reached on the 11th with a cordial welcome given by the Saskatchewan Government, the Civic authorities and a throng of people numbering 10,000 or more. Brandon was reached on the following day and an enthusiastic reception given. Port Arthur and Fort William joined in a rivalry of welcome on the 13th. Ottawa entertained His Royal Highness from April 14th to the 20th. A civic reception and address, the opening of an Old English Fair, attendance at Christ Church Cathedral on Sunday, a dinner at the Rideau Club and a luncheon by Mr. Speaker Dandurand of the Senate, a visit to the Houses of Parliament, a trip down the lumber slides and Chaudiere Rapids, State dinners at Government House, a review of the school cadets, a brilliant State Ball given by His Excellency, the Governor-General, were the chief incidents which marked the visit to the capital.

The Prince was at Niagara Falls on Apl. 22nd and all along the route thither flags were flying and crowds were cheering the special representative and nephew of the King. Hamilton paid no formal courtesies because of its limitation in time to a few minutes or hours where Toronto had been accorded days. On Apl. 23rd His Royal Highness was in Toronto where the programme included the usual official reception at the City Hall, a Luncheon at the Hunt Club by the M.F.H., Mr. G. W. Beardmore, a State dinner at Government House, a visit to the University and the Barracks, inspection of the Cadet Corps numbering some 2,600, a dinner at the Toronto Club and various visits to the Horse Show which he opened on the 23rd. Halifax was reached on Apl. 27, and St. John visited on May 1st. After the usual ceremonies and functions at these places a salmon-fishing trip was enjoyed. At Quebec the Prince was received on May 3rd by the Provincial Government and the Civic authorities, dined by the Lieut.-Governor, and on the 4th received a Civic address and visited Laval University and afterwards Montmorency Falls. The popular welcome at Montreal on May 8th was enthusiastic despite unpleasant weather. Here Prince Arthur was the guest of Sir H. M. and Lady Allan at Ravenscrag and the Civic address was duly received, a luncheon at St. James' Club attended, and the Horse Show visited. Inspection of Cadets was also carried out and a luncheon at the Hunt Club attended, and a visit paid to the Bank of Montreal offices, while a very large reception was given at Ravenscrag. From Quebec, on May 9th, His Royal Highness sailed for home on the Allan liner *Virginian*.

On the following day the Governor-General received a telegram in these terms: "I would wish to express to Your Excellency my sincere thanks for all the kindness and hospitality which has been shown me on all sides on my first visit to Canada. The

impression it has left upon me is deep and lasting, and I shall always look back with the greatest affection to the days I spent in the Dominion. In conclusion I would ask you to convey my best hopes for the prosperity of the country and the happiness of its people." The Prince reached London on May 18th, and a few days later was decorated by the King with the G.C.V.O. This Canadian visit was not a State affair in the same sense as had been the visit to Japan and the Prince everywhere avoided personal ceremony or official garb where he could do so. It was, in the cities, largely a social event and the review of the Cadet Corps was everywhere the one popular incident of the local receptions. Lord Redesdale, K.C.V.O., C.B.; Admiral Sir Edward Seymour, G.C.B., O.M.; General Sir Thomas Kelly-Kenny, G.C.B.; Colonel Arthur Davidson, C.V.O., C.B.; Captain W. F. G. Wyndham and Mr. M. W. Lampson; composed the Prince's suite and he was also accompanied throughout the Canadian tour by Mr. Joseph Pope, C.M.G., and Captain Trotter, A.D.C. to the Governor-General.

The British Medical Association in Canada

In 1897 this important body met in Montreal and in 1906 its members gathered in Toronto with a degree of interest and in numbers sufficiently great to illustrate the nine years' growth of Canada. About 400 British members attended the Toronto meeting on Aug. 21st and 26th inclusive. Dr. G. C. Franklin of London was the retiring President; Dr. R. A. Reeve, Dean of the Faculty of Medicine, Toronto University, the incoming one. This greatest medical Society in the world was notable as excluding Americans from its active membership although a large number of them were welcomed as guests upon this occasion. The formal opening of this 74th annual meeting took place on Aug. 21st with a welcome on behalf of the Province tendered by the Lieut.-Governor and for the City by Mayor Coatsworth. Addresses of welcome were also presented by Prof. I. H. Cameron on behalf of the local Reception Committee, by Dr. Alex. McPhedran for the Canadian Medical Association and by Dr. G. A. Bingham for the Ontario Medical Association.

The best known of the visitors were Sir Thomas Barlow, Bart., K.C.V.O., Surgeon to the King, Sir W. H. Broadbent, Bart., M.D., Professor Thomas Clifford Allbutt of Cambridge, Sir Victor Horsley, F.R.S., Dr. Donald MacAlister, President of the British Medical Council, who was greatly interested in the promotion of Medical reciprocity through a simple registration arrangement within the Empire, Sir James Barr, Professor of Medicine in Liverpool University, Dr. Robert Pollock of Glasgow, Dr. William Osler of Oxford, Dr. W. S. A. Griffith, F.R.S., of London, Sir Hector C. Cameron of Glasgow, Dr. C. S. Sherrington of Liverpool. The papers read were numerous, the addresses able, and the meeting, as a whole, was said to have been one of the most successful in the history of the Association. The address of Sir Victor Horsley on brain surgery and the nervous system, that of

Sir James Barr on Medicine, and that of Dr. Griffith on Obstetrics were amongst the most notable deliverances. Outside of the working meetings the speeches by Sir Victor Horsley and Prof. G. Sims-Woodhead on the evils of alcohol, at a Dominion Alliance luncheon, were the most discussed in a popular way.

There were a number of functions in honour of the visitors including garden parties given by Mr. E. B. Osler and Mr. and Mrs. H. C. Cox, a reception by the Mayor at the City Hall, an excursion to Niagara Falls, a Reception by the Royal Canadian Yacht Club, a trip to the Ontario Electrical Development Company's Power Works at Niagara Falls and a Luncheon by the Empire Club at the R. C. Y. C. The annual Dinner of the Association, held on Aug. 23rd, was a brilliant function with various Imperialistic speeches. It may be added that the total attendance of physicians at this meeting from all countries and Canada was 1,800 in number; that the Toronto Secretaries who had charge of preparations and arrangements were Dr. F. N. G. Starr, Prof. J. J. Mackenzie and Dr. D. J. Gibb-Wishart; that 75 members joined in a trip through Canada to the Pacific Coast; that at a special Convocation of Toronto University the following Hon. degrees of LL.D. were conferred:

Dr. T. C. Allbutt, F.R.S.
Sir Thomas Barlow.
Dr. H. W. Langley Browne.
Dr. George C. Franklin.
Sir Victor Horsley.
Dr. William J. Mickle.
Professor L. Aschoff (Germany).
Dr. A. H. Freeland-Barbour.
Sir James Barr.
Sir W. H. Broadbent.
Dr. W. D. Haliburton, F.R.S.
Dr. Donald MacAllister.
Dr. Louis Lapricque (France).
Dr. W. J. Mayo (United States).

Empire Congress of Chambers of Commerce

The 6th Congress of Chambers of Commerce the Empire was held in London on July 10th, 11th and 12th, 1906. It was opened by the Earl of Elgin, Colonial Secretary and Hon. President, who spoke of the vast and varied interests represented in the gathering, the far-flung character of its membership, the enormous bill of fare provided in the hundred items presented for consideration. Fiscal issues he did not mention. Mr. T. F. Blackwell, the President, stated that 182 Associations were represented of which 89 were in India and the Colonies, 88 in the United Kingdom, and 5 in English communities of Europe. As a matter of fact the British countries represented were Great Britain and Ireland, India, Ceylon, Straits Settlements, Egypt, Cape Colony, Transvaal, Orange River Colony, Natal, Canada, Barbadoes, Jamaica, Trinidad, Australia, New Zealand, and the Fiji Islands. The great debate of the Congress took place upon a Resolution proposed with the approval of the representatives of the Canadian Boards of Trade, of whom 30 or so had sent delegates, and the Canadian Manufacturers Association. It dealt with the fiscal and commercial question and was presented by Messrs. George E. Drummond of Montreal and W. F. Cockshutt, M.P., of Brantford, as follows:

That this Congress urges upon His Majesty's Governments in the United Kingdom and in the various Colonies and Dependencies, the granting of preferential treatment in their respective markets on a reciprocal basis, each to the other, believing that thereby the bonds of union will be strengthened and the British Empire largely freed from dependence on Foreign countries for food and other supplies; and that this Congress further urges the Governments of the Empire that they treat this matter as of present practical importance and that each organization represented at this Congress pledges itself to press their respective Governments to take such action at the Colonial Conference of 1907 as will give effect to the principle advocated in this Resolution.

The speakers in the ensuing discussion included Lord Avebury, Sir S. B. Boulton, Bart., E. Parkes, M.P., Hamar Greenwood, M.P., and Major-General J. W. Laurie for the United Kingdom; Sir Ernest Cable and Hon. A. J. Yorke for India; Octavius C. Beale, President Federated Council of Australian Manufacturers, Charles King, Hon. A. J. Thynne, J. P. McArthur and Whitmore B. Carr for Australia; George Mitchell of Johannesburg, South Africa; Lieut.-Colonel G. T. Denison, Sir Charles Tupper, R. J. Graham and A. L. Johnson for Canada; H. Beauchamp of New Zealand. The Resolution passed by a large individual majority and, according to Chambers, the vote was 105 for, 41 against, and 21 neutral. A Resolution was unanimously passed in favour of an "Advisory Imperial Council to consider questions of Imperial interest—especially those tending to promote international trade"; and another, upon motion of Messrs. G. E. Drummond and C. H. Catelli, of Montreal, affirming the principle that "it is the duty of the self-governing Colonies to participate in the cost of the defence of the Empire"—subject to the right of "initiative as to the nature and mode of help." Messrs. J. F. Ellis of Toronto and F. H. Mathewson of Montreal presented a motion expressing the importance of a freer interchange of newspapers and periodicals within the Empire and urging the British Government "to adopt such rates of postage on this class of mail matter as will encourage the circulation of British newspapers and periodicals in all parts of the Empire." This was carried unanimously as was a telegraphed Resolution of congratulation to Mr. Chamberlain upon the attainment of his 70th birthday. It was decided to meet again three years hence and, after discussing invitations from South Africa, Australia and Canada, the Congress left the matter of selection as to place in the hands of the London Chamber. Other Resolutions passed may be summarized as follows:

1. Supporting the proposal for universal penny postage.
2. Declaring Cable news reports for Canada and other parts of the Empire to be gathered and distributed chiefly through foreign sources, with a colouring injurious to Imperial unity; and asking the Imperial Government "to devise means whereby cable and telegraphic news to and from all parts of the British Empire shall be furnished entirely through Imperial channels."

3. Referring to the constant breaks in cable communication with and between the West Indian Colonies and asking for Imperial assistance in providing an all-British and reliable cable system through Canada with, and between, the West India Islands.

4. Re-affirming the 1903 Resolution in favour of fast mail and steamship services between the United Kingdom and the Colonies.

5. Protesting against Colonial taxes on commercial travellers as a restraint on the development of inter-imperial trade.

6. Expressing the opinion that a re-organization of the British Consular service is necessary so as to promote the establishment of inter-Colonial Commercial agents; urging the British Government to appoint special Commercial Agents within British countries.

7. Declaring it of the highest Imperial importance that British emigrants should settle in British countries and urging accurate Government information in this connection.

8. Proclaiming the encouragement of British investments in British dominions as most desirable; and declaring that lighting the coasts of the United Kingdom and Colonies is an Imperial duty and that the costs should be defrayed by the Governments concerned and not by charges on merchant shipping.

9. Requesting Colonial Governments and the Foreign Office to take certain steps as to the fraudulent marking of goods by foreign manufacturers; re-affirming the 1903 Resolution as to the French surtax d'entrepot; and asking a re-adjustment of the British surtax on rum.

10. Asking the Imperial Government to obtain for the Colonies participation in the most-favoured-nation regulations with countries granting such treatment to the United Kingdom.

11. Favouring the appointment of a Royal Commission to inquire into the question of a uniform system of weights and measures throughout the Empire; also the calling of an Imperial Conference to deal with the codification of the mercantile laws of the Empire; and a Conference of Government representatives, or otherwise, to establish within the Empire uniform and equitable laws respecting patents, copyright and insolvency.

12. Favouring a system of Commercial education in the schools, simplification of bankruptcy proceedings in Great Britain, the enactment of an uniform bankruptcy law in Canada, and arbitration—international, commercial and Labour; protesting against Colonial duties on catalogues and favouring an increase in the means of transport in certain Crown Colonies.

13. Declaring Canadian Railways to be for the general advantage of the Empire as well as of Canada and a great factor in matters of Imperial development and defence; protesting against the payment of rebates on freight by steamship companies; favouring inter-Empire Exhibitions and denouncing the injustice of the Venezuelan surtax to the British West Indies; urging the attention of the Government of India to the inadequate supplies of rolling stock on Indian Railways.

14. Asking a uniform rate in parcel post charges throughout the Empire similar to those between Great Britain and New Zealand; requesting the British Government and the Colonies to combine in procuring the abolition of shipping bounties.

The great bulk of these Resolutions were moved by Canadians; others being often withdrawn in order to unite upon those suggested by Canadian Boards of Trade. Messrs. R. H. Alexander of Vancouver, J. F. Ellis of Toronto, Lieut.-Col. W. N. Ponton, Messrs. J. W. Johnson and R. J. Graham of Belleville, Mr. R. Wilson-Smith of Montreal, Sir Sandford Fleming of Ottawa, Messrs. C. N. Bell, A. L. Johnson and J. W. Dafoe of Winnipeg,

F. H. Mathewson, C. H. Catelli and Alex. McFee of Montreal, were amongst the principal speakers and active participants in the Congress. A brilliant banquet on July 13 at the Hotel Cecil concluded the meeting. Lord Elgin presided and with him were the Duke of Argyll, the Earl of Jersey, Lord Brassey, Rt. Hon. H. H. Asquith, Rt. Hon. Sydney Buxton and many others representative of the public life of the Empire. The speakers included Mr. T. F. Blackwell, Lord Strathcona, Mr. Asquith, Mr. Buxton, Mr. W. F. Cockshutt, Hon. A. J. Thynne, Sir W. H. Holland, Mr. G. E. Drummond, Mr. O. C. Beale. The entertainments were varied, including Receptions by Lord and Lady Brassey and the President and Mrs. Blackwell; a Garden party by Sir Julius and Lady Wernher and by Lord and Lady Strathcona at Knebworth Hall; a visit to Bristol and the privilege of Hon. membership in half a dozen London Clubs. The King received a limited and representative deputation at Buckingham Palace on July 13th.

Lord Strathcona and Canadian Affairs

The veteran High Commissioner for Canada in London maintained his busy and most popular place in Canadian work and opinion during 1906. He was in Montreal on Jan. 1st, spent some time at Ottawa in consultation with Ministers, then opened the St. Lawrence Curling Rink at Montreal on the 11th, and was back across the Atlantic and eulogizing Canadian progress in the *Standard* on Jan. 25th. On Feb. 1 Lady Strathcona wrote the Lord Mayor of London enclosing a 10,000 guineas contribution to the Queen's Fund for the unemployed and asking that 9,000 guineas of the amount be applied to sending suitable persons to settle in the Canadian North-West. On Mch. 6th Lord Strathcona was presiding at a gathering of the West India Committee in London; on the 29th he donated $2,500 to the Bodleian Library to help in securing the first folio of the works of Shakespeare; on May 2 he presided at a Canada Club banquet with Lord Elgin, Sir Redvers Buller, and Sir T. G. Shaughnessy amongst the speakers; on July 2nd he was chairman of the Dominion Day banquet at the Hotel Cecil, with speeches from the Hon. N. A. Belcourt, Lord Elgin, the Earl of Derby, Hon. C. H. Campbell and the Archbishop of Rupertsland. To the Birmingham celebration of Mr. Chamberlain's birthday on July 17th Lord Strathcona contributed the following message: "Mr. Chamberlain is unquestionably one of the ablest statesmen of the day, and has, perhaps, done more than any other man in bringing closer the Mother Country and the Colonies and strengthening the ties of friendship which happily exist throughout the Empire."

On July 14 the High Commissioner entertained 1,400 guests at Knebworth in connection with the Commercial Congress, and on July 27th joined in a presentation at Portsmouth to H.M.S. *Dominion* on behalf of Canadians in England. He gave a Dinner at the famous Athenæum Club in honour of Mr. Premier

Whitney on Aug. 16th. On Sept. 26th, as Chancellor of Aberdeen University, Lord Strathcona presided over the great celebrations in honour of the Quarto-Centenary of the University of Aberdeen; including the opening of Marischal College which was said to be the handsomest granite building in the world. The new institution was opened by the King in person; an address was delivered by the Chancellor at an educational gathering where congratulations were presented from a multitude of Universities at home and abroad; a Reception was given by him at which 4,000 guests were present and a grand banquet at which 2,500 guests were entertained in a specially-built pavilion; and after which the poor of the City were given another banquet. The affair was described as one of the greatest feasts of modern times and these functions, as a whole, were afterwards described as one of the greatest celebrations in all University history. In his principal speech Lord Strathcona referred to the good work done by McGill University and to the benefactions of Sir W. C. Macdonald. On Dec. 28 he left on another visit to Canada. The tributes paid the High Commissioner in newspaper interviews during this, as in preceding years, by returned Canadians, were innumerable. One only can be quoted as an example—the Rev. Dr. George Bryce of Winnipeg on Aug. 1st: "Canadians little know how much our country is indebted to the 'great old man' in his striking magnificence amongst the British people. No other part of the Empire can hold such a place in British eyes as Canada, for no other Colony has a Lord Strathcona."

Empire Events of Canadian Interest

Anything touching the public affairs of Newfoundland in its relations with other countries touches Canada. Between 1898 and 1905 Newfoundland's imports from the Dominion increased 100 per cent. and its exports to Canada 109 per cent.; in 1906 the Island reached the crest of a most prosperous period with a trade of over $22,000,000 and a financial surplus of $69,000. During the year Mr. A. B. Morine, K.C., for a long time Leader of the Opposition in the Legislature, resigned (June 12) and left Newfoundland to live in Toronto, Canada. He was succeeded in the representation of Bonavista on Nov. 2nd by Mr. Donald Morison, K.C., leader of the local Orangemen and, earlier in the year, Mr. Charles Dawe was elected for Port-de-Grave. Sir Robert Thorburn, at one time Premier of the Island for a number of years, died on Apl. 12. The visit of Lord Grey in the summer stirred up some of the old anti-Confederate feeling of the people, but only for a moment and the incident did good in the end. In the Commons at Ottawa, on Mch. 19, Sir Wilfrid Laurier made the following definite reply to questions: "The Government of Newfoundland is aware that we are ready to enter into communication with them at any time that they choose to discuss the subject of bringing the Island into Confederation. With regard to the British West Indies, we are prepared to extend

our relations with them but we are not prepared at this time to invite or encourage political union."

During the Legislative Session Sir Robert Bond, the Premier, put through an Act which forbade aliens to fish in Newfoundland waters unless entitled by treaty; prohibited British subjects from fishing from any alien vessels; forbade residents of the Island from engaging aboard foreign fishing vessels and from selling, hiring, or lending fishing gear to such vessels; made foreigners amenable to all Colonial laws not inconsistent with treaty provisions. On May 4 the Premier explained the Bill as due to the failure of United States fishermen to clear the Customs, to pay the light dues, or to observe the local laws against smuggling. Mr. Morine opposed the measure as practically a declaration of war against a country with which the Empire was at peace. It passed by a good majority, however, and through the Legislative Council unanimously. Meanwhile, negotiations were announced as pending between the British and United States Governments. On Oct. 8 ratifications were exchanged of a *Modus Vivendi* under which the United States fishermen were to be allowed the use of purse seines during the coming season together with the right of employing Newfoundland fishermen outside the three mile limit. The American Government undertook that its fishermen would pay light dues and report at a Custom house when it was physically possible. The recent Act of the Newfoundland Legislature was, of course, disallowed.

In political and press circles this temporary arrangement created a storm of denunciation; in Canadian newspapers it was described as another Alaskan boundary affair; amongst the Island fishermen it seems, on the whole, to have been welcomed. Sir Robert Bond stated that it had been concluded in the teeth of Colonial protests; a meeting of St. John merchants echoed the objection to it as a violation of Colonial rights; the press described it as a surrender of the Colony's claims in a prolonged fight for control of its herring fisheries and pointed out that the same policy had been applied to French fishermen for 20 years; Mr. Winston Churchill stated that the Colony had been consulted throughout the negotiations but had declined to accede to the provisional agreement. The Newfoundland Government decided to test the validity of the *Modus Vivendi* and proceeded to enforce its own law as to Newfoundlanders shipping on foreign vessels. Two local fishermen were arrested on Nov. 12th and three days later were fined by the local Court £100 each or three months imprisonment. Notice of appeal to the Supreme Court of the Island was given and the men released on bail. The official correspondence, made public on Dec. 10, seemed to indicate that the Imperial Government had for months tried to find some basis for settlement in the matter and it claimed that the final action was taken only in order to avert practical hostilities during the current fishing season.

With Australia Canadian relations were a little mixed during

the year. The Commonwealth increased certain duties which for a time were applied to the Dominion and not to Great Britain; its Government communicated with that of the Dominion along lines of Preferential tariff discussion but, in some accidental way, the letter from Mr. Deakin was overlooked; a Preferential arrangement was drawn up under Mr. Seddon's inspiration as between New Zealand and the Commonwealth and accepted by the latter but rejected by the former after the New Zealand Premier's regretted death; Preferential tariff proposals for arrangement between the Australian and South African Governments were approved by the Commonwealth Parliament. The fiscal policy of the country was, in fact, still in a state of ebb and flow and the Deakin Government's failure to pass its British Preferential Bill through the two Houses without infringing Empire treaty arrangements was an illustration of local party and labour difficulties as well as of a situation faced by Canada in 1897. Certain Dominion interests were also affected by legislation raising the duties on harvesters. Mr. Deakin's letter of Nov. 27th, 1905, was finally answered on Sept. 1, 1906, in a most sympathetic and personal manner by Sir W. Laurier. On Sept. 27 the Canadian Premier wrote again and indicated the absence of prominent products for interchange between the countries. Canada would be glad to extend its British tariff to Australia:

> We understand, however, that instead of such a preference covering the whole list of goods subject to duty in Australia it would be more convenient to your people to discuss a preference only on certain specified articles to be mutually agreed upon. This, whilst not in the line of our general policy, would be quite acceptable. The difficulty is to carry on such negotiations by correspondence at such a distance. We would like to have a preference on lumber, agricultural implements, boots and shoes, and other manufactured goods. May I suggest that you cause to be communicated to our Agent, or to us directly, a list of the articles which you desire to be preferred and to what extent.

On Dec. 12 Sir Richard Cartwright suggested that Mr. D. H. Ross, at Melbourne, be authorized to offer the British Preference on everything produced in Australia and to ask in return for concessions on fish, lumber, paper and agricultural implements. The general elections took place on Dec. 12. Mr. Alfred Deakin, the Premier, in a House of 75 members had 19 genuine supporters, the irregular support of Mr. Watson with his 25 Labour followers, and the active opposition of Mr. G. H. Reid with his 31 followers. In the elections Labour seems to have held its own with 25 seats, Mr. Reid, anti-socialist, "fiscal peace" and anti-protectionist obtained 20 seats; and Mr. Deakin apparently had the support of 18 Liberal protectionists and 12 Conservative protectionists. He won a great personal victory of 7,000 majority in his own constituency and all the Ministers and leaders, with the exception of Mr. Thomas Playford, were returned.

An incident of the year was the growing observance of Empire Day. During 1905 about 25,000 schools were known to have

celebrated the occasion throughout British countries but in 1906 the number must have been far greater. All the Provinces of Canada, including parts of Quebec, made it a day of educative and patriotic functions. Dr. Jameson, Premier of Cape Colony, the Premiers of Natal and New South Wales, the Administrator of Mashonaland, the Premiers of Victoria and Queensland, cabled the London *Standard* brief descriptions of the interest taken locally in the celebration and as to the growing Imperialism which it embodied. It was estimated that at least 3,000,000 children took part in this year's event. The Pacific Cable was not greatly discussed. Its deficit in 1904 was £87,000, and in 1905 £75,000. In 1906 its General Manager, Mr. C. H. Reynolds, reported conditions as greatly improved. He was in Canada during October and described the four months just spent in Australia and New Zealand fighting for business with the Eastern Extension Company as a busy and constant rival. Sir Sandford Fleming, who had done so much to inaugurate this enterprise, urged during the year a further Empire cable system so as to girdle the globe with British lines. It would cost £5,000,000 he stated in London on July 20.

Akin to the Cable was the question of Cable press news. Mr. Churchill and other members of the British Government complained more than once during the year of misrepresentation regarding the Liberal party and policy in despatches to the Colonies; from Australian sources came similar charges though not to a serious extent; from Canada there was dissatisfaction with the American Associated Press news in this respect and a new cause for complaint in the past year or two through the reports of the Canadian Associated Press—an organization sending half a column a day of despatches and maintained in part by a Dominion Government subsidy and in part by a syndicate of newspapers. The following was a summarized view of Canadian criticisms of this service: (1) There was a marked tendency to quote anti-Imperialist utterances; (2) very many of the quotations were from unimportant, irresponsible or anonymous sources; (3) frequent despatches were sent dealing with absurdly trivial matters; (4) a wise discretion was not used either in selection, quotation or condensation—as in the Alaskan Boundary period; (5) it was difficult to say where the quotations end and condensation begins while the all-important fact of the political point of view of papers or speakers was never given.

A question of local importance to Canada was the still-continued Cattle Embargo or exclusion of live cattle from the ports of the United Kingdom. As the exclusion applied to other Colonies and countries it was not specifically a local question except in the feeling shown in certain Canadian quarters over its continuance. The new Ministry and Lord Carrington, the new President of the Board of Agriculture, would it was hoped, repeal the restriction and every effort was made to press home to him the point of an alleged immunity of Canadian cattle from the dreaded pleuro-

pneumonia. On Jan. 5th however, Lord Carrington said to a deputation, in a not very hopeful strain, that "there is an overwhelming mass of opinion that the law cannot safely be altered on account of the grave risk of introduction of disease that would be run by the tenant farmers and small occupiers in the United Kingdom." Various British associations, representing 7,000,000 farmers—such as the Central and Associated Chambers of Agriculture on Feb. 6—passed resolutions protesting against any change in the regulations. The subject was debated in the Commons and the Lords on Apl. 6. The Government did not take any distinct position in the matter of Mr. Thomas Cairns' repeal Bill and it consequently failed to pass. In an interview on Apl. 16 Sir W. C. Van Horne declared, at Montreal, that he would, if he had the power, repeal the Preference until this prohibition was removed. In the Lords on May 21, Lord Carrington finally announced that the Government would take no present action. On June 9 the Canadian Minister of Agriculture wrote a long letter to Mr. P. L. Gray of Edinburgh, with the statement that there had not been a case of pleuro-pneumonia in Canada for 20 years. In the British Commons on Dec. 11 the Premier stated that the embargo was a precautionary measure of wide application and that the Government entirely accepted the Canadian contention as to local absence of disease.

In South Africa a new general tariff formed by Natal, Southern Rhodesia, Cape Colony, Transvaal and Orange River Colony came into operation on May 26th with a preference in favour of Great Britain and an extension and slight increase in preceding preferences upon Canadian goods. On July 18 a contract for the West India and Demerara steamship service, with Pickford and Black of Halifax, was renewed for four years by the Dominion Government and in August the British authorities resumed the contract with the R.M.S. Packet Company for a mail service to the West India Islands. During the native rising in Natal the Colonial Government received offers of military assistance from the Imperial Government and other parts of the Empire; and from the other South African Colonies came 18,000 offers to serve including 2,250 Boers. The sudden death of the Rt. Hon. Richard John Seddon, Premier of New Zealand since 1895, on June 10, was the event of the year in that Colony and was widely regretted throughout the Empire. The following were some of the Empire changes of Government (outside of Canada) during 1906:

Country.	Position.	Name.
New Zealand	Prime Minister	Hon. W. Hall-Jones.
"	" "	Hon. Sir J. G. Ward.
Australia	Attorney-General	Hon. Littleton E. Groom.
"	Minister for Home Affairs	Hon. T. T. Ewing.
"	Vice-President of Council	Hon. J. H. Keating.
"	Honorary Minister	Hon. Samuel Mauger.
South Australia	Prime Minister	Hon. R. Butler.
Tasmania	" "	Hon. J. W. Evans, C.M.G.
Queensland	" "	Hon. W. Kidston.
Western Australia	" "	Hon. N. J. Moore.
Natal	" "	Hon. F. R. Moor.

XII.—RELATIONS WITH THE UNITED STATES

Questions Between Canada and the United States

In one form or another, though not with excitement or alarm, or even special public interest, many phases of Canada's relationship with, and proximity to, the United States were discussed during 1906. The continued movement of population from the United States into Canada; the influence of American Labour organizations upon Canadian affairs; Mr. J. J. Hill's Railway policy in the Canadian West and his Reciprocity advocacy in the United States; the divided control and poaching conditions prevalent in the Lake fisheries; the controversy between the Maine and New Brunswick lumbering interests; the continued closeness of social and business relations between the two countries and the fact that holiday-seekers in Canada so often went to the United States instead of visiting parts of their own country; the questions connected with Niagara Falls electric power and its export and the position of Great Britain and Canada toward the Monroe Doctrine; the continued opening in Canada of branches of United States industrial concerns and the United States coasting regulations on the great lakes and the Pacific coast; the prohibition of the export of logs from British Columbia to the United States; the possibility, alleged by some American papers and travellers in the Canadian West, of annexationism developing through the influx of United States settlers; the question raised by the Drainage authorities of Manitoba and Minnesota as to regulating the flow and improving the navigation of the Red River and its tributaries; the attempt at "spelling reform" in the Republic and tentative copying efforts in certain Canadian quarters; the prominence of United States goods and products and commercial travellers in the Canadian West; the proposed establishment of more United States Consulates in the Western Provinces; the American poll-tax levied upon Englishmen and sometimes Canadians crossing the border; the fur seal Fisheries question and talk of resuming the High Joint Commission meetings; the carrying of Yukon mails from United States Pacific ports and the transport in bond of goods from one country to or from the other; Alien Labour legislation and mining rights, the conveyance of prisoners to and fro, the entry of armed soldiers into each other's territory, or the proposals for an armed naval force on the Lakes were some of the points at issue.

Others were the continued organization of American fraternal and semi-religious Orders in Canada such as Knights of Columbus;

the San Francisco disaster and the concern of many Canadians as to relations living in that City, the generous response of Governments, Legislatures, Cities, financial institutions and individuals in Canada to the appeal for aid; the postal rates on magazines and newspapers and the influx of cheap United States reading matter of every kind into Canada; the interchange of Regimental visits such as the coming of the Massachusetts Volunteers to Montreal and the going of the Queen's Own Rifles of Toronto and Governor-General's Foot Guards of Ottawa to New York, or the Royal Highlanders to Ticonderoga, N.Y.; the Chicago Packing-house revelations and consequent controversies, investigations, and legislation in Canada regarding canned food products; the purchase of objectionable United States books for public and even Sunday school libraries in the Dominion; the Chicago Drainage Canal scheme and the danger of seriously lowering the level of the great Lakes; the 4th of July celebrations and flying of United States flags in the Canadian West; the title to Arctic islands north of the continent claimed and annexed by Canada; extradition regulations and international practice as shown in the case of C. C. Browne at Montreal; the use of the word "American" officially and commercially to designate the people and products of the United States; the question of absolute control over Hudson's Bay and other Northern waters; the holding of international Conventions of a fraternal character and the question of having a Canadian commercial representative at Washington; the Carnegie libraries and educational and other benefactions; the British Columbia fisheries difficulty with the State of Washington and consequent conferences; the intervention of the United States in Cuba and its Pan-American Conference at Rio de Janeiro; the retirement of Sir H. M. Durand as British Ambassador at Washington and the appointment of the Rt. Hon. James Bryce as his successor; Sir H. M. Durand's earlier visit to Ottawa and Lord Grey's visit to New York; the question of Canadian carriage of United States 2nd class mail matter under non-reciprocal rates and conditions.

Perhaps the most prominent incident of the year in this respect was the visit of Mr. Andrew Carnegie to Canada and his diffusion, in several speeches, of a cheery and optimistic but thoroughly Americanized view of things British and Canadian—past and present. He preceded his arrival in Toronto by the offer of $50,000 to build a Victoria University Library on the understanding that a similar sum should be raised for endowment. On Apl. 26th he was entertained by the Canadian Club, Toronto, at a banquet attended by 750 members and graced also by the presence of President Butler of Columbia University and Richard Watson Gilder of *The Century*. The heads of his speech were (1) that the day of small nations is surely passing; (2) that the day was coming when Britain, the United States, and Canada would be re-united along the lines of what he termed "race

Imperialism"; (3) that war between Britain and America was an absolute impossibility; (4) that Canada's mission in the world was the bringing together of the two greater nations; (5) denunciation of British Imperialism and militarism. At Ottawa on the 28th he addressed the Canadian Club along similar lines and on the 30th opened the local Carnegie Library with another speech. On the same day Sir Sandford Fleming, Chancellor of Queen's University, presented the visitor at a special function with the Hon. LL.D. degree of that institution. He afterwards visited the House of Commons. Again he was the guest of a Canadian Club on May 1st—this time in Montreal—and on the same day was made an Hon. LL.D. of McGill University. On Dec. 6th it was announced that he had promised Queen's University $100,000 when $400,000 additional had been subscribed to its endowment fund. In the August issue of the *Nineteenth Century* Mr. Carnegie had an article from which these words are extracted:

> Transferred from New York to London one finds himself at once in a new atmosphere. In the former as a citizen of a Continent under one flag, with no enemies to fear, the exciting incidents of Life are domestic. He is concerned only with internal affairs. What takes place in other parts of the World with rare exceptions is to him a matter of curiosity rather than importance. Reading the newspapers in London for a day all is changed. He realizes that he is again in the old Island Home, unfortunately engulfed in the Vortex of Militarism, to use Sir Wilfrid Laurier's phrase.

The International Waterways Commission, after holding a number of sessions at Washington, Ottawa, Toronto and Buffalo, announced on May 4th that it had reached a conclusion as to Niagara Falls power and that of Sault Ste. Marie. In the former case Canada was to have—subject to joint Government ratification—36,000 cubic feet of water per second and the United States 18,500 cubic feet per second with 10,000 more from Lake Michigan for the Chicago Drainage Canal. At the Sault the water-power was to be equally divided. The Commissioners for the United States were Colonel O. H. Ernest, George Clinton, G. Y. Wismer and L. C. Sabin, Secretary; for Canada they were George C. Gibbons, K.C., W. F. King, Louis Coste, C.E., and Thomas Cotè, Secretary. Other questions than the above were still unsettled though the Canadian Section proposed, unsuccessfully, a set of principles for future guidance: (1) The use of all navigable waters for navigation purposes to be of primary and paramount right; (2) permanent or complete diversion of navigable streams or tributaries to be permitted only for domestic purposes; (3) in temporary diversions each country to share equally; (4) no obstruction to be permitted on navigable waters crossing the boundary, or in tributary streams, which would be injurious to navigation; (5) the advisability of a permanent Joint Commission in this connection.

On July 14 Mr. E. G. Haskell of Detroit was appointed to succeed the late Mr. Wismer on the United States Section. At the end of November a Report was made public by the Commission in the matter of the Rainy River tributaries and the proposal of a Duluth (United States) Company to divert water for power purposes together with the question of certain Richelieu River (Canadian) works affecting the levels of the United States Lake Champlain. In both cases the Commission decided that permission should be obtained from both Governments or a Treaty entered into which should " define the uses to which international waters may be put by either country without the necessity of adjustment in each instance."

Other international incidents of the year included Mr. Rockefeller's gift of $115,000 to Acadia University, Wolfville; an important address on Jan. 18 to the Senate of New York State, at Albany, by Mr. R. C. Smith, K.C., of Montreal, upon the relations of the two countries; Mr. J. H. Choate's address to the Ottawa Canadian Club on Feb. 1st; an interview given Senator McMullen of Canada, by President Roosevelt in which the latter was told that the Dominion did not now want Reciprocity; the speech of Mr. Booker T. Washington in Canada. Messrs. H. M. Whitney and E. M. Foss continued their advocacy of reciprocity in Massachusetts. Amongst Canadians speaking in the Republic were the Hon. H. R. Emmerson to the Canadian Society of New York, on Mch. 17th, and Hon. G. P. Graham, M.L.A., on May 17th; Charles Marcil, M.P., at Boston on May 24th, and Hon. R. Lemieux, M.P., at the Columbia University exercises in New York on June 13th; Sir Mackenzie Bowell at a Sons of the British Empire organization meeting in St. Paul on Sept. 20th. Mr. Lemieux spoke also at the annual banquet of the New York Chamber of Commerce on Oct. 5th, with Vice-President Fairbanks as the other chief speaker. One of the important utterances of the year in Canada was Sir Frederick Borden's reference to the Monroe Doctrine at a meeting in Ottawa on Feb. 23rd, addressed by Professor Leacock. Dissenting from the lecturer's views in that respect he said:

> Behind that Doctrine were the guns and warships of the United States, and the whole power of eighty million souls. Surely if that Doctrine meant anything it meant that Canada was safe from Foreign aggression. It meant that neither Germany nor Russia, nor any other Foreign power would for one moment, whether England were strong or weak, be permitted by the United States to place a hostile foot in this country. That might not be the law of nations, but it was the law of power and there was no disguising the fact that the United States had told the world that that was their policy.

XIII.—CANADIAN OBITUARY, 1906

Allison, ex-M.P., David W.—Adolphustown. May 15.

Anderson, Walter Nichol—Formerly Assistant Provincial Treasurer of Ontario and General Manager of the Canadian Bank of Commerce. Toronto. Aug. 16.

Aylesworth, M.A., LL.D., Rev. Isaac Brock—Prominent Methodist Minister. Aug. 12.

Baby, K.C., ex-M.P., Hon. Louis Francois Georges—ex-Minister of Inland Revenue and ex-Judge of the Court of King's Bench, Quebec. Montreal. May 13.

Badgley, M.A., B.D., LL.D., Rev. Eratus Irvine—Professor for many years in Faculty of Theology, Victoria University. Toronto. Jan. 4.

Baker, M.A., ex-M.L.A., Lieut.-Colonel James —Formerly a Member of the British Columbia Government. Dorset, England. July 31.

Barwick, K.C., Walter—Prominent Toronto Barrister. Salisbury, England. July 1.

Beattie, D.D., Ph.D., LL.D., Rev. Francis Robert—Professor of Apologetics and Systematic Theology in Louisville Theological Seminary. Sept. 4.

Beaugrand, Honore—Founder of *La Patrie* and formerly Mayor of Montreal. Commander of the Legion of Honour, France, and Knight Commander of St. Olaf, Norway. Westmount. Oct. 7.

Bertram, John—President of the Canada Tool Works, Dundas. Ex-Mayor of Hamilton. April 4.

Blackstock, K.C., Thomas Gibbs—Prominent Lawyer and Financier. Toronto. July 24.

Bland, M.P., Leonard Thomas—Kincardine, Ont. Aug. 19.

Bompas, D.D., Rt. Rev. William Carpenter—Lately Bishop of the Diocese of Selkirk. Anglican Missionary in Northern Canada for 40 years. Cariboo Crossing, Yukon. June 9.

Bond, M.A., LL.D., The Most Rev. William Bennett—Archbishop of Montreal. Metropolitan and Primate of all Canada. Montreal. Oct. 9.

Bond, James—Ex-Mayor of Toronto Junction and License Inspector for West York, Ont. Toronto. Jan. 5.

Bone, Rev. Thomas—Forty years Missionary to Sailors for the Upper Canada Tract Society. St. Catharines, Ont. Nov. 22.

Booth, D. S.—Mayor of Brockville for three terms. Brockville. March 26.

Bowron, John—Gold Commissioner for District of Cariboo. Sept. 6.

Brough, Theodore George—General Manager of the Dominion Bank, Toronto. London, Eng. May 2.

Brown, K.C., Henry Braithwaite—Well-known Lawyer and formerly Batonnier of the Bar of Quebec. Sherbrooke, Que. March 8.

Burchill, Alexander—Superintendent of Waterworks System, Fredericton. Fredericton, N.B. Oct. 28.

Campbell, ex-M.L.A., ex-M.P., Hon. C. J.—One-time Member of Legislative Council of Nova Scotia. North Sydney, N.S. April 17.

Carmichael, Lieut-Colonel Andrew—Ex-Postmaster of Spencerville, Ont. Sept. 18.

Carscallen, K.C., Henry—Member for East Hamilton in Ontario Legislature. Hamilton, Sept. 16.

Carter, K.C., B.C.L., Christopher Benfield—Batonnier of the Montreal Bar. Member of Quebec Legislature. Rimouski, Que. Aug. 17.

Christie, M.D., William—Alderman of the City of St. John. St. John, N.B. Feb. 8.

Church, ex-M.P., Hon. Charles Edward—Senator of Canada. Ex-Commissioner of Public Works and Mines, N.S. Halifax. Jan. 3.

Cormier, ex-M.L.A., Narcisse Edouard—ex-Mayor of Aylmer, P.Q. Chief Game Warden for Western Quebec. Ex-Warden of Wright County. Aylmer, Que. Feb. 18.

Craig, Francis J.—Ex-Mayor of Strathroy. Strathroy, Ont. Nov. 23.

Craik, M.D., LL.D., Robert—Formerly Dean of the Medical Faculty of McGill University. A Governor of the University. Montreal. June 28.

Creelman, Alexander—Manager of Imperial Bank of Canada at Niagara Falls, Ont ; ex-President of the Ontario Hockey Association. Guelph. Aug. 27.

Cunard, William—Member of the Cunard Steamship Company. London, Eng. Jan. 11.

Davis, ex-M.P., Donald Watson—Formerly Collector of Customs at Dawson, Y.T. June 4.

Denison, Lieut.-Colonel Richard Lippincott—Grimsby, Ont. Oct. 4.

Dennoncourt, K.C., N. L.—ex-Mayor of Three Rivers, Que. Oct. 13.

Digby, M.D., James Winnett—ex-Mayor of Brantford, Ont. May 29.

Doucet, ex-M.L.A., Moses J.—Cheticamp, N.S. July 29.

Drouin, K.C., Joseph Alphonse—Montreal, Que. July 1.

Dumont, Gabriel—Riel's Chief Lieutenant in the Rebellion of 1885. Batoche. May 19.

Eberts, Hermann J. Von—Well-known Winnipeg Barrister. Victoria, B.C. Jan. 18.

Eddy, Ezra Butler—Pioneer Manufacturer and Citizen of Hull. One-time Member of Quebec Legislature and Mayor of Hull. Feb. 12.

Fairbairn, J.P., James B.—Postmaster of Bowmanville, Ont. Toronto. Sept. 1.

Fearman, Frederick William—Pioneer in Pork-packing business and President of Wentworth Historical Society. Hamilton, Ont. Mch. 1.

Garland, John Mutchmor—ex-President of Ottawa Board of Trade. Ottawa. June 7.

Gildersleeve, Charles Fuller—President of the Dominion Marine Association and formerly General Manager of Richelieu and Ontario Navigation Company. Ex-Mayor of Kingston, Ont. Jan. 18.

Gilpin, D.D., The Very Rev. Edwin—Dean of Nova Scotia. Halifax, Jan. 29.

Glass, ex-M.P., Hon. David—ex-Speaker of the Manitoba Legislature. One-time Mayor of London, Ont. Spokane, Wash. July 17.

Globensky, ex-M.P., Charles Augustus Maxmillien—Seigneur of Mille Isles. St. Eustache, Que. Feb. 10.

Gourlay, K.C., ex-M.P., Seymour Eugene—Truro, N.S. Jan. 5.

Haddon, George—ex-Mayor of Picton, Ont. Aug. 22.

Hague, John—Well-known Author and Journalist and Editor of *Financial Chronicle*. Montreal. Aug. 19.

Handscomb, Charles W.—Editor of *Town Topics*. Winnipeg. June 2.

Harrison, M.A., LL.D., Thomas—ex-Chancellor of the University of New Brunswick. Fredericton, N.B. Sept. 18.

Hendrie, William—Well-known Railway Contractor, Financier and Horseman. President of the Ontario Jockey Club. Hamilton. June 27.

Henshaw, Frederick W.—ex-President of the Board of Trade, Montreal. June 6.

Holden, M.D., Charles—Well-known Medical Practitioner of St. John, N.B. May 2.

Holman, Robert Tinson—Prominent Citizen and Merchant of Summerside, P.E.I. Dec. 11.

Hughes, Lieut.-Colonel George Dumoulin—ex-Chief of Montreal Police Force. Montreal. Feb. 17.

Hutton, Francis Richard—Assessor of the City of Hamilton, Ont. Oct. 1.
Hutchinson, M.A., D.D., Rev. Patrick Hynds—St. Andrew's Presbyterian Church, Huntingdon, Que. April 8.
Jamieson, John—Well-known Canadian Journalist. Chicago, Ill. Sept. 3.
Jennings, C.E., William Tydale—Prominent Civil Engineer of Toronto. Lansing, Mich. Oct. 24.
Jones, Hon. Alfred Gilpin—Lieut.-Governor of Nova Scotia. Halifax. March 15.
Kerr, K.C., B.A., LL.D., ex-M.P., Hon. William—Member of the Canadian Senate. Toronto. Nov. 22.
King, Lieut.-Colonel Arthur H.—Commanding 1st Hussars. London, Ont. March 18.
Kinsman, ex-Alderman John—Pioneer Resident of Victoria, B.C. Oct. 24.
Kirby, F.R.S.C., William—Author of *Le Chien d'Or*. Niagara-on-the-Lake, Ont. June 23.
Kirkland, Angus—Manager of the Bank of Montreal, Toronto. Toronto. June 3.
Langevin, K.C., C.B., K.C.M.G., ex-M.P., Hon. Sir Hector Louis—One of the Fathers of Confederation and for years Minister of Public Works at Ottawa. Quebec. June 11.
Laurier, Henri—Prothonotary of the Superior Court at Athabaska, P.Q. Sept. 2.
Langtry, D.D., Ven. John—Archdeacon of York. Toronto. Aug. 22.
Lazier, Thomas Appleby—Judge of the County of Hastings. Belleville, Ont. Jan. 25.
Lewis, M.A., D.C.L., Rev. John Pitt—Rector of Grace Church, Toronto. June 13.
Low, D.D., Rev. George Jacobs—Canon of the Diocese of Ottawa. Dec. 14.
Lynn, Washington Frank—Well-known Western Journalist. Winnipeg. July 20.
McClelland, John S.—City Clerk and Prominent Journalist of St. Catharines, Ont. Sept. 23.
McCurdy, Henry H.—ex-President of the Board of Trade, Sydney, N.S. Aug. 27.
McDougall, John—Clerk of the County and Surrogate Court at Berlin, Ont. Dec. 16.
McGibbon, K.C., Robert Davidson—Montreal. April 18.
McLane, A. M.—Member of the first Qu'Appelle Council. Indian Head, Sask. May 9.
McMillan, ex-M.L.C., Hon. Angus—Commissioner of Crown Lands in Prince Edward Island, 1891-1900. Wheatley River, P.E.I. March 13.
McNamee, F. B.—Montreal Contractor and Philanthropist. June 19.
MacKelcan, K.C., Frank—City Solicitor of Hamilton. Aug. 27.
Mackenzie, Alexander Innes—A Prominent resident of Hamilton, Ont. Sept. 20.
Macpherson, Lieut.-Colonel John—Treasurer of Dominion Rifle Association. Ottawa, Ont. Jan. 21.
Madore, ex-M.P., Hon. Joseph Alexandre Camille—Judge of St. Hyacinthe, P.Q. One-time Batonnier of the Montreal Bar. Nov. 3.
Merritt, ex-M.P., Thomas Rodman—President of the Imperial Bank of Canada. St. Catharines, Ont. Jan. 11.
Morris, K.C., John Lang—Prominent Member of Montreal Bar. April 1.
Morse, W. A. D.—Judge of the County Court of Cumberland and Pictou, N.S. Amherst. July 11.
Mowat, J. Gordon—Well-known Journalist and Founder of the *Canadian Magazine*. Toronto. April 21.
Muir, Alexander—Author of "The Maple Leaf." Toronto. June 26.
Murray, John Wilson—Chief Inspector of the Criminal Investigation Department of Ontario. Toronto. June 13.
Norman, M.A., D.D., D.C.L., Very Rev. Richard Whitmore—Formerly Rector and Dean of All Saints' Cathedral, Quebec. Toronto. March 3.

Neale, Captain Percy Reginald—A Pioneer Member of the Royal North-West Mounted Police. Winnipeg. Feb. 1.
Noxon, James—Formerly Inspector of Prisons for the Province of Ontario. Toronto. Dec. 19.
Nuttall, Thomas C.—A Pioneer Resident of Victoria, B.C. Victoria. Feb. 6.
O'Brien, D.D., Most Rev. Cornelius—Archbishop of Halifax, N.S. One-time President of the Royal Society of Canada. March 9.
Oliver, B.A., K.C., Thomas H.—Prominent member of the legal profession in Quebec. Aug. 18.
Parker, B.A., M.A., D.D., Rev. William Robert—Well-known Methodist Minister. Toronto. May 3.
Partridge, D.D., D.C.L., LL.D., Very Rev. Francis—Dean of Christ Church Cathedral. Fredericton, N.B. April 18.
Pipon, Charles Ashworth—Prominent Toronto Steamship Manager. Salisbury, England. July 1.
Ramsay, Mgr. David Shaw—Domestic Prelate and Prothonotary Apostolic. Montreal. Feb. 23.
Reid, ex-M.L.A., Hon. Richard Bernard—Merchant and Legislator of Prince Edward Island. Alberton, P.E.I. Sept. 15.
Rogers, D.C.L., Frederick—Sault Ste. Marie, Ont. Sept. 10.
Ruddell, John Henry—Member for Morden in Manitoba Legislative Assembly. April 17.
Ryan, ex-M.L.A., Hon. P. G.—Commissioner of Public Works in New Brunswick 1883-92. Fredericton. Oct. 21.
Sanderson, William—Editor and Proprietor of *The Economist*. Toronto. Feb. 14.
Scarfe, Frederick—ex-Mayor of Dartmouth, N.S. Dartmouth, June 6.
Schofield, Samuel—Prominent Merchant of St. John, N.B. May 9.
Sedgewick, K.C., Hon. Robert—Justice of the Supreme Court of Canada. Ottawa. Aug. 4.
Shearer, James—Well-known business man. Montreal. Sept. 13.
Sinclair, ex-M.L.A., ex-M.P., Hon. Peter—Formerly Member of the Government of Prince Edward Island. Springfield, P.E.I. Oct. 9.
Smith, M.A., D.D., Very Rev. Buxton Birbeck—Dean of the Diocese of Ontario and Rector of St. George's Church, Kingston, Ont. Mch. 20.
Snodgrass, Rev. Dr.—Formerly Principal of Queen's University, Kingston, Ont. July 23.
Staebler, Jacob Merner—ex-Mayor of Berlin, Ont. May 7.
Stairs, ex-M.L.A., Hon. William John—ex-President of the Union Bank of Halifax, N.S. Halifax. Feb. 27.
Stevens, K.C., ex-M.L.A, James Gray—For many years County Court Judge of Charlotte, Carleton and Madawaska, N.B. Oct. 16.
Stewart, M.A., D.C.L., LL.D., F.R.S.C., George—Well-known Author and Journalist. Quebec. Feb. 26.
Stewart, M.D., James—Specialist in Nervous Diseases. Professor of Medicine in McGill University. Montreal. Oct. 6.
Stock, ex-M.L.A., Thomas—Formerly Collector of Customs at Dundas, Ont. Jan. 10.
Strachan, William—Prominent Financier and Citizen of Montreal. Oct. 12.
Street, K.C., Hon. William Purvis—Justice of the High Court of Ontario. July 31.
Tassie, Major W. T.—Proprietor and Editor of the *Dundas Banner*. Aug. 1.
Taylor, M.D., Francis Perley—Charlottetown, P.E.I. Sept. 17.
Tees, James—Prominent Merchant and Citizen of Winnipeg. June.
Thwaite, Medcalfe—Well-known Resident of Oshawa, Ont. July 31.
Townsend, William Borridaile—ex-Mayor of New Westminster, B.C. Spokane Falls. July 21.
Trudeau, Ludger—Superintendent Montreal Street Railway. Dec. 11.

Tweed, Thomas—Formerly Member of North-West Legislative Assembly. Prominent Merchant of Medicine Hat. April 30.

Waitt, Rev. T. Brace—Principal of Bishop's College, Lennoxville, Que. Sherbrooke, Que. May 27.

Walkem, K.C., D.C.L., Richard Thomas—Prominent Mason, barrister and financier. Kingston, Ont. March 23.

Wallace, M.D., Matthew—Well-known Physician of Toronto. March 3.

White, M.P., Hon. Peter—ex-Speaker House of Commons. Pembroke. May 3.

Whitney, John Easton Mills—Merchant of Montreal. June 8.

Wicksteed, Major Horatio Asprey—Well-known Civil Servant and citizen of Ottawa. Jan. 26.

Widdifield, M.D., ex-M.L.A., Joseph Henry—Sheriff of the County of York. Toronto, Ont. June 2.

Williams, Richard S.—President of the R. S. Williams & Sons Co., Ltd. Toronto. Feb. 24.

Wood, William Wilson—Assistant Provincial Auditor for Ontario. Toronto. Dec. 11.

Woods, K.C., Robert Stuart—County Judge of Kent. Chatham, Ont. Nov. 20.

Yeigh, Mrs. Kate Westlake—Well-known Novelist and Journalist. Toronto. March 4.

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THE CAPITAL OF BRITISH COLUMBIA

The history of Victoria from the outset and until about 20 years ago has virtually been the history of the Province. Its nucleus of growth was the old Hudson's Bay Company fort, erected in 1843. The population in 1901, as officially given, was 21,000 and it is now (1907) estimated at 30,000. Victoria is in many respects the most desirable city in Canada for residence, is very beautifully situated on the south-eastern part of Vancouver Island and overlooks the waters of the Strait of Juan de Fuca. It possesses a climate in which sunshine largely predominates and is as temperate as that of the south of England with flowers blooming in the gardens nearly all winter. Extremes of heat and cold are almost entirely unknown. Its atmosphere is laden with invigorating ozone from the sea. The death-rate is only ten in every thousand and ague and malaria are never heard of. Both the City and its environs, from a scenic standpoint, excite the admiration of every visitor. Without and within the City the landscape is clothed in a mantle of perennial green entitling it to the well-known sobriquet of "The Evergreen City of the Pacific."

Fronting the City and Harbour and up from the blue waters of the Strait of Fuca the massive forms of the Olympian mountains, majestic and snow-crowned, stand out against the sky. To the west and north a panorama of cultivated fields, winding streams, placid lakes, wooded hills and land-locked arms of the sea present a picture upon which the eye delights to dwell. Excellent roads lead from the City in almost every direction, here skirting the sea-front for miles, there passing through peaceful rural valleys or rising to the summit of some oak-crowned hill, from which the tourist can scan the country near and far, and view the combined effect of mountain and dale, hamlet, city and sea. Beyond the farming land surrounding the City is an extensive district abounding in game of all kinds, deer, pheasant, grouse, quail, and larger game, and affording innumerable opportunities for fishing, boating and other delights of the sportsman.

Victoria is the terminus of the Victoria and Sidney Railway, which is claimed to be part of the Great Northern Railway system, and of the Esquimalt and Nanaimo Railway recently acquired by the Canadian Pacific. By means of the latter system overland freight from the east is delivered in cars at Victoria. This Railway joins the City to the great coal mining area of Nanaimo and Wellington, and is projected to extend, in the near future, to the northern end of the Island and thereby form a through highway for the traffic to the Yukon and Cassiar gold fields and the northern Pacific ports. Surveys have been made for an extension to Alberni on the west coast. There is a daily service by the large C.P.R. Steamer *Princess Victoria* between Vancouver, B.C., and Seattle, Wash., while the Pacific Coast Steamship Company's palatial vessels run to San Francisco every 5 days. Several other lines of steamers connect the City with towns and settlements on the east and west coast of Vancouver Island, the islands of the Gulf, Port Angeles, Wash., Skagway, Alaska,

and intermediate points. It is the last port of call for outward bound ocean-going vessels and the first inward port from Australia and the Orient.

Electric cars also connect the City with Oak Bay and the Gorge, suburban resorts noted for their picturesque beauty. At the "Gorge" are parks owned by the City and the Tramway Company. Modern facilities for salt water bathing are here provided. This point is also reached by Victoria Arm, an ideal summer waterway five miles long, the small crafts' paradise, and the scene of the annual regattas. One of the chief glories of the city is its beautiful Beacon Hill Park and recreation grounds, where, to the incomparable site that nature has provided, the skill of man has added a wealth of arboreal, floral and other artistic embellishments. There is also another fine park ground in the northern portion of the City. On James' Bay embankment, which is retained by a handsome wall of granite, and facing the Parliament Buildings, the harbour and the town, is the spacious and costly new hotel erected by the C.P.R. to be called *The Empress*. Special mention may be made of the many fine new public buildings, commercial blocks and private residences and grounds with which the City is adorned. The Post Office, Law Courts, Public Schools, and Church edifices and hospitals, would do credit to cities ten times its size, while the splendid pile of Parliament Buildings is not surpassed on the continent of America in architectural perfection and interior finish and appointment.

The volume of shipping passing in and out of the port annually is very large, and the products of its industries, which are growing apace in number and importance, have taken high rank in the International exhibitions of the world. Victoria is the headquarters of the sealing industry of the north Pacific coast—the fleet of which winters there—and many of the coast packing companies in connection with the salmon industry and in addition to local canneries have their agencies located at this point. A very important industry besides is the lumber industry which is well represented while many prominent mining companies have their head offices in Victoria. Among the industries for which a good opening exists are axe, file, nail and hammer factories, broom and brush factory, cordage, waggon and fish-canning factories, tanneries, woollen and flour mills, match, boot and shoe, cheese and fruit-preserving factories. The annual Provincial Exhibition is held here.

A thoroughly efficient system of free public and high school education, including departments of manual training, physical training and domestic science, is in operation, upon which upwards of $60,000 is spent annually, and about three thousand pupils are taught by qualified and competent teachers. There are also a number of private schools and colleges, modelled after the English school system of boys' schools, with a number of private schools for girls and a college exclusively for young ladies. The High School is in affiliation with McGill University. The City is also the seat of the Provincial Government and of the Supreme Court and the place of residence of the Lieutenant-Governor.

HISTORICAL SKETCH OF THE CANADIAN NORTHERN RAILWAY

The record of progress in the building of the Canadian Northern Railway has been phenomenal. The knitting together of various provinces; the concentration of charters, interests and isolated enterprises into one harmonious project; the rapid construction across the prairies into Edmonton, the building of a network of branch lines in Manitoba; demanded skill and energy and enterprise of no common order. Messrs. William Mackenzie and D. D. Mann have, as a result of this work, acquired a high position amongst the leading railway men of the continent; and it is one which promises to grow with time and increase in power with the rapid expansion of their wide-spread interests.

In 1895 the charter was acquired of the Lake Manitoba Railway and Canal Company and, in the following year, there was commenced the construction of a railway from Gladstone with 100 miles completed and in operation by the autumn of 1896. In the following year the line was extended 25 miles to Lake Winnipegosis, and in 1898, under charter of the Manitoba and South Eastern Railway, a commencement was made on the grain-carrying trunk line from Winnipeg towards Lake Superior, on which 45 miles of track were laid. At the Lake Superior end, the Port Arthur, Duluth and Western Railway was purchased, and the rights of the Ontario and Rainy River Railway acquired and work commenced from a point 19 miles from Port Arthur on the former line, under the charter of the O. & R. R. Railway.

The year 1899 saw the northern line extended to a point 195 miles from Gladstone. This extension was built under the charter rights of the Winnipeg Great Northern Railway, and it was in this year that this line and the L. M. R. & C. Company were amalgamated under the name of the Canadian Northern Railway Company. The other companies were absorbed at later dates. In 1900 the Manitoba and South Eastern was brought to the Rainy River, where the construction of a large swing steel bridge had to be undertaken.

In 1901 the Company took over the Provincial Government railway lines of the Northern Pacific and Manitoba Railway. This step secured for it a main line through the fertile Portage plains to a point within 19 miles of Gladstone, where the north line of the Canadian Northern had been commenced, and completed within the year. Branch lines to Hartney, Brandon and other points, through unequalled grain areas, and a connection to the south from Winnipeg to St. Paul and Minneapolis (U.S.) were also obtained by this acquisition and made a total addition to the Company's operative mileage of 350 miles. In addition to this a valuable terminal in the heart of Winnipeg was obtained which, by its proximity to the large tract of terminal property which had already been acquired for the Canadian Northern, became of much greater value. The year was also notable as that in which was completed the line between Winnipeg and the Great Lakes' port, Port Arthur. The section from Fort Frances to Port Arthur was not taken over by the Operating Department until early in 1902. But with a total mileage constructed at the end of 1901 of over 1,200 miles, the Canadian Northern had sprung into third place among Canadian railways.

The year 1905 witnessed the completion of the tracklaying of the main line to Edmonton from Kamsack, a distance of 549 miles. In 1906 a further total expansion took place in Western branch lines and Eastern subsidiary lines of some 1,400 miles. The total mileage of the Canadian Northern Railway including all its connections at the end of 1906 was about 3,800 miles. It is a notable fact that this railway for nearly a thousand miles is laid down in the centre of what is known as the "Wheat Belt of Western Canada." It has practically no mileage through unproductive territory. By its main line branches and projections it reaches the richest sections in the Provinces of Manitoba, Saskatchewan and Alberta, and the most important distributing centres of the Canadian West. Its main line opens up a vast stretch of mineral wealth and many miles of rich agricultural lands in New Ontario.

Though at the present time the Canadian Northern has no rail connection east of Port Arthur, independent of the Canadian Pacific Railway, yet plans have already been made to build from the present Eastern Lake Terminal around the North shore of Lake Superior to Sudbury. The James Bay Railway was partly opened for traffic in 1906, for 130 miles from Toronto to Parry Sound, a port on Georgian Bay, and passing through the far-famed Muskoka Lakes. The section from Parry Sound to Sudbury will be ready for operation in 1907. The James Bay Railway has also authority to build from a point on the Toronto-Sudbury line near the French River to Ottawa and from Toronto to Ottawa. A link of 50 miles from Ottawa to Hawkesbury will put these lines, when built, in connection with Montreal and Quebec by means of the Great Northern Railway of Canada.

A controlling interest in the latter railway, which at the present time operates 250 miles, was acquired in 1903. An entrance to Montreal was at once arranged by the acquisition of the Chateauguay and Northern Railway. An independent access to the valuable terminal property held by the Great Northern at Quebec has since been arranged. Previously the Company's trains had entered Quebec over the tracks of another railway. The charter of the Quebec, New Brunswick and Nova Scotia Railway, in conjunction with the use of the Quebec bridge across the St. Lawrence, will permit a through connection being made to Nova Scotia, where Messrs. Mackenzie and Mann already control the Halifax and South Western Railway formed in 1901, and the Central Railway from Lunenburg to Middleton, taken over in 1903. Extensions were at that time undertaken and the mileage further increased by the purchase of the Coast Railway from Yarmouth to Barrington Passage, 50 miles. Between the latter point and Liverpool, N.S., a connecting line is now completed, and a branch is also under construction from Middleton to Victoria Beach. These additions will make a total of 370 miles, and will comprise the largest railway system in Nova Scotia. In Cape Breton the Inverness Railway and Coal Company operates 61 miles from Port Tupper to Inverness, where valuable bituminous coal deposits are being mined.

With the connection of all these railways a most important system will have been built up, and another great transcontinental route formed. Quietly, but swiftly, each supporting link is being added to the chain until the Atlantic will be bound to the Pacific by another Canadian band of steel.

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